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NEWS SUMMARY

GENERAL

Richard leaves on Africa shuttle

In an effort to bridge the gulf between the Salisbury Government and its black Nationalist *opponents over the* path to majority rule, Mr. Ivor Richard, chairman of the adjourned conference in Geneva, leaves London to-day on a diplomatic shuttle through southern Africa.

During visits to six African capitals, Mr. Richard is expected to meet the Presidents of Zambia, Tanzania, Mozambique and Botswana; Rhodesian Nationalist Leaders; and the Prime Ministers of Rhodesia and South Africa.

Thirty-eight guerillas and eight African civilians have been killed over the past six days, Rhodesian security forces in Salisbury said. Page 8

Cape rioting kills 26

Welfare workers are trying to estimate the scale of the refugee problem in Cape Town's black townships after Christmas rioting left 26 dead and 106 seriously injured. Hundreds fled to other townships. Back Page

Mirror hit again

Southern editions of the Daily Mirror failed to appear again to-day because of the dispute over pay and time off for the Christmas holiday. Back Page

Trains halted

Many Eastern Region train services were disrupted for the second day running because of a drivers' dispute. Page 5

Arms talks move

A new strategic arms limitation agreement with Russia is to be sought by Mr. Jimmy Carter, U.S. President-elect. Back Page.

Migrant 'curbs'

Immigration on a selective basis and the printing of their own stamps and banknotes are among proposals to be considered by the States of Alderney to stimulate the island's weakening economy.

Fukuda Cabinet

Remaining posts in his Cabinet were filled by Mr. Takeo Fukuda, Japan's new Prime Minister. Page 4

Believers fight

Dissidents in Russia formed a Christian Committee to defend the rights of believers.

Round-up . . .

Busmen in Derby will strike on Saturday in protest against not being allowed to finish work at 10 p.m. on New Year's Eve.

New President of Malta is Dr. Anton Buttigieg, 65.

Ninety-five people were feared drowned after an Egyptian boat sank in the Red Sea. At least 23 people died when an old people's home in St. John's, Newfoundland, caught fire. More than 40 people were feared drowned when a boat sank off the Celebes, *Indonesia*, in a storm.

Film actor Richard Todd is comfortable in Grantham Hospital, Lincs., after a heart attack.

West country was the worst hit when snow swept many parts of Britain.

Scientists from Britain are watching a research rocket, Skylark 12, in an effort to understand better the aurora borealis.

Stocks of honey at Buckfast Abbey, Devon, which usually are more than 25 tons, have run dry months earlier than usual because the 320 hives produced less than a ton of honey this year. Drought was blamed.

BUSINESS

Grocery prices rise by 1.4%

● **GROCERY PRICES** have been rising more slowly this month. The Financial Times Grocery Prices Index is up 1.4 per cent. to 244.82, compared with a 1.8 per cent. rise last month and a 3.6 per cent. jump in December last year.

But the improvement may be short-lived, as shoppers face big increases in dairy prices next month, as a result of a cut in butter and cheese subsidies. Page 11

● **STATE INDUSTRY** chairmen plan to press for freedom to manage their own financing without restrictions imposed by the Treasury. Most chairmen believe that the time is ripe—and that the state of the capital markets is right—for them to cut loose from Treasury purse-strings. Page 5

● **GOVERNMENT** is expected to announce its decision on measures to save the power station supply industry early in the New Year. Indications are that it will tell tthe Central Electricity Generating Board to start a steady ordering programme of power stations, starting with the Drax B project at Selby. Page 5

● **SCOTTISH SHIPYARD**, Ailsa Shipbuilding of Troon, is putting off nearly 100 of its 700 workers and says there will be more redundancies in summer unless it wins orders. Page 5

Bid to lift car output

● **NEW INITIATIVE** is planned to help raise productivity in the car industry. Mr. Eric Varley, Industry Secretary, with union *chiefs Mr. Jack Jones and Mr.* Hugh Scanlon, will visit car companies to try to get shop stewards and management together to discuss ways of improving performance. Back Page

● **TUC** general secretary, Mr. Len Murray, was chairman at talks in London last night in a bid to settle the strike by electricians at the Rubery Owen car components company. Back page

● **WAGES COUNCIL** which sets minimum pay rates for Britain's 250,000 lorry drivers may be wound up by the Government. The unions want its job taken over by regional negotiating councils. Page 5

● **RESCUE** operation has been agreed *in Paris by 15 commodity* trading houses to save the Ivory Coast shipper, Jacques Borie, after a failure to deliver 15,000 tonnes of cocoa at the contracted price. The 15 houses must now pay higher prices and face losses of about £15m., which Borie will meet over seven years. Page 14

● ***UNITED STATES*** had a record monthly trade deficit of $906m. last month, largely because of a sharp rise in oil imports and a drop in farm exports. The deficit for the first 11 months of the year is about $5bn., in sharp contrast to the big surplus last year. Page 4

● ***JAPAN'S*** six major steel producers will continue their voluntary restraint on exports to Europe next year. Page 4

STOCK EXCHANGE

● **EQUITIES** edged down in the shortened session of trading on Christmas Eve, with a lack of buying interest ahead of the *holidays. The FT 30-Share* Index fell 1.3 to close at 343.4 at noon.

● **GILTS** were marginally better at the short end of the market, in anticipation of the further easing in Minimum Lending Rate, while longer dated stocks were unchanged.

—*Stock market report, Page 15*

● **WALL STREET** was up 5.74 at 1,001.83 near the close. Earlier report, Page 12

COMPANIES

● **DUNFORD AND ELLIOTT** shareholders are given four reasons for rejecting the takeover bid by Johnson *and* Firth Brown in a letter sent to them by Mr. Frank Welsh, their company's *chairman*. The bid is not to be referred to the Monopolies Commission. Page 10

● **DEBENHAMS** is *buying* the department store, Blundells of Luton, from Country and New Town Properties for £1.21m. Page 10

FEATURES

ON OTHER PAGES

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China will resume speedy economic growth, says Hua

BY COLINA MCDOUGALL

Chairman Hua Kuo-feng, China's leader has indicated in a major speech how his country will resume speedy economic development. The speech may well mark the watershed between a China which has grown increasingly radical over the last 20 years and the practical policies which are apparently scheduled for next year and beyond.

On Sunday, the anniversary of Chairman Mao's birthday, China published a speech made by Mao in 1956 on the country's 10 major problems. "The Ten Great Relations," as they are called in *Chinese terminology.*

This suggests that Chairman Hua intends to return to the more *flexible economic and* political policies of the '50s.

Hua's lengthy speech, made at the closing session of the national "Learn from Taichai" conference on agriculture in Peking on Monday, reviewed the events of 1976 and outlined the tasks for the coming year.

The deaths of Chairman Mao and Premier Chou En-lai had led to the attempt to seize power, by Chairman Mao's widow and her associates—the "Gang of Four"—an attempt that had almost led to conflict. "*Should their scheme have succeeded*, that would have led to a great retrogression and split our party and country and touched off a major civil war," Hua declared.

These problems had been compounded by the disastrous earthquakes China suffered during the year and bad weather affecting harvests.

Chairman Hua summarised Mao's basic policy in his "Ten Great Relations" speech as: "We must mobilise all positive factors, both inside and outside the party, both at home and abroad, both direct and indirect, and build China into a powerful socialist country."

Peking Radio has been giving maximum publicity to Mao's speech. Although a partial text *has circulated in the West for* some years, this is the first time it has been officially published.

The speech deals with the relationship between heavy industry, light industry and agriculture, the growth of the economy and the needs of defence, "counter-revolutionaries" and the rest of society (Mao said: "Execution is too permanent"), and between China and other countries, especially over matters *of foreign technology and capita*list efficiency.

Hua is, in effect, attempting to put the clock back to the mid-50s, before the turmoil of the Great Leap Forward and the Cultural Revolution.

Conference

Then, the country was completing a successful five-year plan and the sense of purpose and unity among the people of China was strong.

Hua can do this without losing the authority of Maoism, by appealing to earlier writings and speeches of the great Chairman.

While the ability of the Chinese leadership to call a national conference on the scale of the present one, and of Hua to make a major policy speech during it, suggests that most of the opposition from the "gang's" supporters has been suppressed, it seems likely that not all has been eradicated.

The task of criticising the "gang" was to continue in 1977, Hua said, though those who could be persuaded to reject them must be allowed to do so. Only unrepentant followers must be punished.

The Communist Party would in future have pre-eminence, as previous statements since Hua *took over have made clear.*

This indicates a return to orthodox party control, with soft-pedalling *on military support* and the policy of rapid promotion for young officials which Mao favoured since the Cultural Revolution.

"We must improve the democratic life inside the party and among the people." Hua added—a sign that a freer atmosphere may return. The party was to *be purified and reconstructed*, to prevent the kind of intrigue that had become common in recent years.

Low-level peoples' congresses are to be held next year, a hint that another session of the National People's Congress held in 1975 under Premier Chou's auspices may take place later.

This also suggests a return to a more constitutional type of government than has been seen in *China since the '50s.*

Revenue unit investigates multinationals' pricing

BY MICHAEL LAFFERTY, CITY STAFF

THERE is widespread unease among foreign-owned companies trading in Britain about the activities of a new Inland Revenue special unit which is investigating the pricing policies of multinational companies.

As a result of the special unit's work several major foreign-owned companies have *had their tax affairs reopened for* up to six previous years, and in some cases substantially increased tax assessments have been made.

Two major U.S.-controlled multinationals, the IBM computer group and the Hoover domestic appliances group, are among those companies currently having discussions with the Revenue about their transfer-pricing policies. As reported in the *Financial Times in April, the* Swiss-based Hoffmann La Roche group's U.K. subsidiary, Roche Products, reached agreement with the Revenue on a basis for determining its tax liabilities for the seven years to December, 1972, which will involve its paying up to £1.85m. to the tax authorities. This followed a Monopolies Commission report in April, 1973, on the prices charged by the company for the drugs Valium and Librium.

The manner in which the unit is alleged to operate has led to bitter complaints from some companies *and possibly* unprecedented advice from their accountant tax advisers.

Mr. Iain Stitt, a partner in accountants Arthur Andersen and a *leading authority on the new* unit, suggested at an Institute of Chartered Accountants course earlier this year that companies should consider "playing-off" the Revenue against other Government departments and attempt to bring it into conflict with an overseas tax authority as part of their tactics in any pricing inquiry.

Multinational companies with worldwide interests are able, through the broad spread of their business, to exercise a wide degree of influence over the prices paid by their subsidiaries *for imported goods*, as well as over the prices charged for their exports, and hence their profits.

Investigatory

The Inland Revenue is concerned to establish whether the prices taken into subsidiaries' accounts are fair or are pitched at a *level which artificially* depresses profits n the U.K.

But multinational companies say they are in serious danger of being taxed twice on the same profits because of the vigilance of tax authorities in other leading industrialised countries, particularly the U.S. and Germany.

They are also very concerned about a proposed EEC directive whereby all the Common Market *tax authorities* would agree to co-operate with each other in tax inquiries.

The build-up of the special unit follows the conferment of increased investigatory powers on *the Revenue in the 1975 Finance* Act.

Until the unit was established multinational companies' tax affairs were dealt with, like those of any other company, by the local inspector of taxes. However, it is now normal for such files to be handed over to the special unit in London for separate attention.

According to leading tax accountants, the Inland Revenue's first move in a proposed pricing inquiry is to ask a series of detailed questions about intra-*group purchases, sales, interest* payments, management fees, research and development expenses and royalties. Such questions have rarely been asked before and, according to some accountants, many of them are too theoretical to have any relevance to the company concerned.

The Institute of Taxation has recently asked the Chancellor of the Exchequer to see that the Revenue takes a less strict attitude *in pricing inquiries*, and commented that "it is very difficult to see the purpose of many of the Revenue questions."

The holiday continues for half Britain's workforce

BY MAX WILKINSON, INDUSTRIAL STAFF

AT THE end of the official Christmas Holidays, to-day about half Britain's workforce is estimated to be still at home, and many intend to stay away for a week to ten days more.

For many factories, this Christmas shutdown has been the longest ever. The break enjoyed by manufacturing industries is much longer than in Germany, France, Holland and Scandinavia.

Partly because of widespread absenteeism in previous years, many companies have decided to close for the *whole* of *this* week. In Scotland some of the larger manufacturers do not expect to see *much* of their workforce next week either.

Mr. Matthew Neill, chief executive of the Glasgow Chamber of Commerce, said most companies would be closed on Monday and Tuesday this week and next.

But he added: "Some of the larger manufacturers will be closed until Wednesday of next week, and it is very likely that some people will not think it worth coming in again before the week-end."

In the north-east of England, where most of the heavy indu*strial companies are declaring a* full 10 days' holiday over Christmas, Clarke Chapman said the time would be used for factory maintenance.

In many cases, the week's holiday is set against the annual holiday entitlement, but in some companies workers have been able to negotiate extra holidays for the Christmas period.

In Wales, the mines are closed from December 23 to January 3. British *Leyland will also* shut down for the whole of the week. GEC said the holiday arrange*ments varied between different* factories, but some would be open to-day.

In *some areas, manufacturers* have preferred to close the plant completely for a week, and thus save overheads rather than re-open for a few days with the risk of disruption to production schedules caused by absenteeism.

In some cases, there is a safety risk if certain workers do not turn up.

The week's *holiday at Christ*mas, which is now becoming an accepted part of the British in*dustrial scene, is by no means* common in the rest of Europe. The Germans, the French, the *Dutch and the Danes have had* no holiday "in lieu" of the week-end, and were back at work on Monday.

In Belgium and Luxembourg, the Governments declared only one extra day's holiday, on Monday. Only the Italians took two extra days' holiday at Christmas, and they will not get an extra day for New Year.

The long shutdown brought an opportunity to retailers, which many of the major stores were eager to grasp. In Oxford Street, London, the January sales *started yesterday.*

By to-day, retailers predicted the New Year spending spree *would be in full swing, helped* by the large influx of foreign visitors eager to take advantage of the favourable exchange rate and comparatively low shop prices in Britain.

● The Post Office estimates that Christmas mail was up by 25m. letters or about 3 per cent. on last year. All mail posted by the recommended dates had been delivered.

In spite of very heavy posting *after the recommended dates,* most of this mail had been delivered too.

Saudi oil output to go up next year

BY RICHARD JOHNS

THE SAUDI Government will raise its crude oil production from the fields of the Arabian American Oil Company to 10m. barrels a day during the first quarter of 1977.

Quoting official Saudi sources, the latest edition of the well-informed Middle East Economic Survey describes *this increase* over and above the old 8.5m. b/d ceiling as a "first step." Output level will *subsequently be reviewed on a* quarterly basis.

Saudi Arabia is understood to be planning a substantial boost in direct sales by the State to third parties so that its decision to limit its own price rise to 5 per cent. will have an impact on the market worldwide.

Because of stockpiling before the Organisation of Petroleum Exporting Countries' conference a fortnight ago, the U.S. shareholders in Aramco expected to lift less crude oil in the early part of the year.

Moreover, the sales price for the Saudi heavier crudes will *involve a rise of less than 5* per cent. For Arabian Medium (31 degree API gravity) it will be up 3.6 per cent. at $11.69 a barrel and for Arabian Heavy (27 degrees) only 3 per cent. at $11.37.

This is in line with the recognition—shared with other OPEC members—that heavier crudes have been over-priced relative to the lighter ones. At the top end of the market the *Saudi increment will* be exactly 5 per cent. for Arabian Light (34 degrees) and Berri (39 degrees) at $12.09 and $12.48 respectively.

Yesterday an Aramco official in New York was quoted by AP-Dow Jones as saying: "We expect production wil drop off a little" from the rate of 9m. b/d at which it has been running recently.

Evidently, however, the *Saudi Governments intends* to make up the difference by entering into new contracts with third parties other than the four major oil companies which are partners in Aramco (Exxon, Texaco, Standard Oil of California and Texaco).

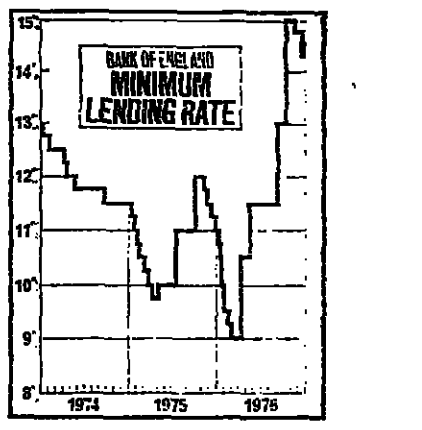
It is uncertain just how quickly Petromin, the State *petroleum corporation, can in*crease its direct sales. Over the past year they have been *running* at only 200,000 b/d and in Saudi Arabia itself doubts have been expressed as to whether the Government agency is geared to entering the market quickly in a big way.

After the OPEC conference Sheikh Ahmed Zaki Yamani, Saudi Oil Minister, said that *Aramco's installed production* capacity was 11.8m. b/d.

Lombard, Page 2

Borrowing costs likely to stay high

BY PETER RIDDELL, ECONOMICS CORRESPONDENT



THE COST of borrowing for industry is likely to remain at the current high level in the immediate future in spite of a further ¼ per cent. cut in Minimum Lending Rate last Friday—for the second successive week.

MLR now stands at 14¼ per cent., compared with the record high of 15 per cent. between early October and mid-November.

The further reduction had been widely expected and is in line with the official aim of only a gradual step-by-step reduction in MLR.

However, MLR has not yet fallen to a level which provides immediate scope for a reduction in the clearing banks' lending rates, which at present rest on a base rate of 14 per cent.

Arbitrage

The general view of the clearers is that at least another ¼ per cent. cut in MLR and possibly a ½ per cent. decline from the latest levels would be needed before a change is made in the present interest rate structure.

This is partly because recent tight conditions in the short-term money market have pushed rates up to a level at which there has been some *margin for arbitrage* activity—where top quality, blue-chip customers can borrow from *a clearer at 15 per cent. and lend* at a higher rate to the market for short periods.

This activity has apparently not been on a large-scale and money market rates may have been exceptionally high last week. But there are indications of a continuing switch-back of borrowing to the clearers by large customers.

In any event, the clearing banks are not planning to take *immediate action* and will wait until the New Year to see if there is any further decline in MLR.

The latest reduction in MLR means that the chances of an early rise in building society deposit and mortgage rates have receded even further. The ¾ per cent. reduction in MLR since *mid-November should be suffi*cient to ensure that a majority of societies will agree to postpone a decision for at least a month when the Council of the Building Societies Association meets in the middle of January.

The Treasury and the Bank of England have been determined to avoid a precipitate fall in interest rates principally because of the possible impact on sterling. Mr Denis Healey, the *Chancellor of the Exchequer*, said in the Commons last week that he expected only limited falls in interest rates in the immediate future, but the declines should "gather pace" in the latter half of 1977.

The experience earlier this year when a small cut in MLR helped further to undermine *confidence has meant that the* authorities are reluctant to take any risk with the slow recovery in sentiment now under way. Consequently, they believe any adjustments should be gradual rather than dramatic, particularly since agreement has not yet been reached on the sterling balances.

Safety net

There are hopes within the Government that some kind of safety net arrangement can be *agreed at the meeting of central* bankers in Basle on January 10 in view of the progress made at last week's meetings in Paris. But there are still a number of important points to be resolved, so it is not certain that final decisions will be reached at the Basle meeting, especially since the U.S. Administration changes ten days later.

Until this issue is fully resolved, the authorities are *clearly going to limit the rate of* decline in MLR. Indeed, last week they were determined not only to restrict the fall in MLR to ¼ per cent., but to ensure that Treasury Bill rates at the tender did not drop to a level where a full ½ per cent. cut was nearly triggered, as [illegible] red in the week before.

This aim was achieved ... clear signals from the Bank to the money market and, in the *event, the bill rate declined only* by 0.1468 per cent. to 13.6100 per cent.

Once the sterling balance issue has been resolved, and signs emerge both of an improvement in the balance of payments and in the underlying rate of inflation, there is the prospect of a larger decline in interest rates.

This hope is clearly crucial to any discussions with the CBI and the TUC over future industrial and economic policy.

Mortgage rate rise fears recede Page 5

LOMBARD

Oil prices and the sterling saga

BY SAMUEL BRITTAN

THE REFUSAL of the Saudi Arabians and the United Arab Emirates to go along with a 10 per cent. increase in the price of oil has a significance going far beyond energy matters. It is the first sign that the international cost structure is at last starting to give way and that the restrained demand policies of Western countries are beginning to affect prices and not just output and employment.

It is, of course, still necessary to keep one's fingers crossed. There is the problem of expanding very quickly the production and delivery of oil from Saudi Arabia and her ally. There is also the political element. The decision of the OPEC dissenters appears to be connected with Middle East peace moves: and if these do not come off, they could yet rejoin the cartel as full working members.

But there is a good chance, to put it no higher, that the Saudi Arabians and Emirates will in the end expand output to meet extra demand at a price of 5 per cent. above that reigning for the preceding 15 months. Most of the other countries produce as much as they can for revenue purposes, and the Saudi Arabians are the residual suppliers who balance supply and demand. If they fulfil this role the other 11 OPEC members will not be able to maintain their 10 per cent. price increase and the 5 per cent. rise will prevail. If there were to be a political compromise the Saudi Arabians might go up a point or two in price: but to concede the whole 10 per cent. would now be a major loss of face.

Best news

With all due qualification, this is the best economic news for a very long time. Previously pessimists had been expecting a 15 per cent. oil price increase and optimists one of 10 per cent. The general world price level will not be dramatically lower as a result of the Saudi decision to go for 5 per cent. But there will be that bit less required for imported oil in Western countries and that much more spending power to purchase goods and services provided in their own countries. The EEC Commission has calculated that a 15 per cent increase in the oil price would have brought Community growth down to below 3 per cent. in 1977, or a reduction of well over 1 per cent. compared with what would otherwise be expected.

The oil move is moreover the only kind of stimulus to real demand which is not inflationary. On the contrary, it is associated with a check to inflationary expectations and will make it easier for countries to keep their money supply in check. If anyone has tried to tackle the inflationary problem at a stroke it has been Crown Prince Fahd of Saudi Arabia.

The U.K.'s national interest is ambivalent. For the moment this country benefits from cheap oil. But if North Sea output lives up to expectations, there may in the 1980s be a selfish local interest in preserving the oil price structure. It would be characteristic British luck if the cartel really collapsed—so far it has merely just eroded—just as net exports of oil were becoming a possibility.

Insurance

There is, fortunately, a method which could give the U.K. a modest degree of insurance against oil price fluctuations, and which would also help with the sterling balances. This would be to give official balance holders the option of conversion into balances linked to the dollar price of oil. Both the benefits and the risks of North Sea oil would then be shared with the balance holders.

So long as the dollar price of oil was maintained, the holders would have the equivalent of a dollar guarantee. If it continued to rise, they would get something better. On the other hand, should oil prices fall, the U.K. would achieve some compensation by way of a writing down of the balances and the interest upon them. In the former case the U.K. would be able to afford to share a little of its North Sea gain; in the latter case, it would be glad to share the shortfall.

The present oil producers would hardly put all their assets in this particular basket. But their sterling holdings are a small part of their total reserves; and it is conceivable that they would be prepared to put some of them into an equity-type stake in North Sea oil. The fact is that the U.K. wants Middle Eastern oil now which it will not need in a few years' time. Rather than go in for clumsy oil-for-oil or other barter deals, might it not be better to consider a financial arrangement which reflects the different time preferences of the parties involved?

THE YEAR IN THE COURTS

Shapes of things to come reflect social changes

BY JUSTINIAN

THIS YEAR has been a significant one for the law, not so much for any dramatic legal event as for the portents of things to come. In a number of ways the courts and the legal profession are coming to terms with the need to adapt themselves to the social conditions of the last quarter of the 20th century.

The Royal Commission on Legal Services looms over all the thinking about the law's future. The Commissioners are proceeding at an alarming pace, and the professional bodies have been hard at the task of putting together their evidence, designed mainly to ward off the threat of a major restructuring of the profession.

If there is a body of opinion that would like to see the lawyers brought under State control, there is at last a powerful countervailing movement to preserve the essence of the present institutional structure. A vigorously independent profession that is more publicly accountable and more in tune with the needs of the ordinary citizen in his constant struggle with governmental power is the best guarantee of helping to preserve our liberties.

Bill of Rights

The movement towards a modern Bill of Rights is gathering pace, at the forefront of which is the advocacy of Lord Justice Scarman, the most powerful judicial voice in the courts to-day. Ever since his Hamlyn lectures two years ago Sir Leslie has been preaching—and practising—the doctrine of effective judicial control over administrative action.

The Government's response has been mildly encouraging. In June a discussion document entitled *Legislation on Human Rights* appeared. It is a straw in the wind. A foretaste of what is to come is a provision in the Scotland and Wales Bill that gives the Judicial Committee of the Privy Council the power to adjudicate upon legislative conflicts between the proposed Scottish and Welsh assemblies and Westminster.

With a General Election in the offing, at least not later than the autumn of 1978, both major political parties will vie with each other for the electorate's favours by displaying a deep regard for civil liberties. The next session of Parliament is likely to see proposals for a Bill of Rights, but without giving the courts power to review the validity of, let alone overturn, Parliamentary legislation.

The European example will dictate the ambit of the novel judicial activity. In France the "principles of the constitution" are immensely valuable in directing the solutions the courts provide to contests between the State and the citizen. Much of the body of French administrative law has been built up on the principle of individual equality, as traditionally recited in the preamble of successive French constitutions.

The courts have no power to hold a law invalid; but in judicial practice in the courts the principle of individual equality provides the basis for ensuring consistency in the exercise of administrative discretion.

It also provides the firm base for the proposition that there should be fairness and openness in the conduct of public administration.

This year has witnessed a welcome recognition by English lawyers that their mistress, the common law of England, whatever its pre-eminent role as an arbiter in disputes between citizens, has proved a resounding failure in helping people to cope with the modern State.

The full dimensions of this failure have only just dawned upon a profession suddenly faced with a growing public discontent. Some of this awareness is undoubtedly due to the impact of British entry into the Common Market, and the liaison with the legal institutions of the EEC.

Here again one can detect a change of heart. For some time after our entry into the EEC the courts, under the influence of Lord Denning, preferred to interpret the provisions of Community law themselves and not to trouble the European Court with references to Luxembourg.†

Now that is beginning to change, and English judges perceive the positive virtue of a harmonisation of Community law and the national law, by working in close relationship with the European Court.

Boldly, a Metropolitan stipendiary magistrate has referred a case recently on questions concerning "deportation of migrant workers." And in the past week before the Christmas break the Lord Chief Justice and his colleagues sitting in the Divisional Court have referred a case* originally decided by the National Insurance Commissioner.

The case concerned entitlement to a disability pension of a claimant who during the qualifying period had been in part resident in Germany. The Commissioner, whose decision in favour of the claimant was challenged in the Divisional Court by the Department of Health and Social Security, had held that the effect of EEC legislation was that by operating the cumulation of insurance periods and/or periods of residence in all member-States the claimant had established his entitlement to social security.

The new expansiveness of the courts marks a departure in legal thinking that is impressive. The traditional insularity of English common law is becoming a matter of legal history rather than contemporary fact. The change has not been achieved by any revolutionary doctrine but by a growing realisation that to remain steeped in the traditions of the past is to countenance an assault from those who see in the law not a bulwark in favour of liberty but an obstacle to sensible advance in social justice.

Those who see the law as insensitively antipathetic to change may have to begin to revise their views. Conservative as the profession undoubtedly is, the conservatism is reserved for those parts that provide the essential continuity in legal development. The year ahead will determine whether the signs of change of legal heart have been accurately read.

† *Bulmer Ltd. v. Bollinger S.A. [1974] Ch. 401.*

* *Re Invalidity Benefit in Germany [1976] C.M.L.R. 494.*

Schools 'more anti-industry in London'

ANTIPATHY between schools and industry is at its strongest in the London area, the London Chamber of Commerce claimed to-day.

A report prepared by the Chamber to the Greater London Council said that the growing anti-industry bias in schools and colleges was fuelling the existing shortages of skilled labour to create a potentially serious shortage of key workers for industry.

The report has already had one outcome. A joint working party is to be set up to look at possible solutions to the problem.

RUGBY UNION — BY PETER ROBBINS

Leicester raiders bring down Barbarians

LEICESTER beat the Barbarians 12-8 before a crowd of some 20,000 in a match that excitingly and entertainingly ended the Christmas festivities.

The Barbarians had the ill-luck to lose Uttley after two minutes with concussion, and page came on as a flank. So the visitors were cruelly deprived of an outstanding forward and they were also cripplingly short of a place kicker, as J. P. R. Williams and McGeechan missed five kicks between them at varying stages.

The Barbarians began as though they would massacre Leicester, with their forwards, notably Tomes, Ripley and Beaumont supplying endless possession.

Williams spun out perfect passes to Richards, and we had the thrill of seeing McGeechan floating some beautifully-timed passes to Squires, and seeing Slemen working intelligently. It was Stewart, however, the Cambridge captain, who was the pre-eminent forward.

Leicester were stunned by it all, and soon Burcher cut through for the first try after five minutes. Two minutes later Williams made a break and McGeechan and J. P. R. Williams quickly got the ball to Squires for a splendid try.

It took a monumental tackle from Kempin on Ripley to prevent another try, but a menacing runb y Rowell made the point that Leicester had plenty in reserve.

Ten minutes before the interval, Kenney ran diagonally from a scrum and Dodge scored an excellent try, converted by Hare.

Dodge then made another devastating run, but Leicester did not get the lead until shortly after half-time through a penalty by Hare.

He kicked another after 15 minutes of the second half, and the Barbarians were forced to adopt a much more realistic approach until the final frenzied minutes when they threw everything into attack.

Slemen, Squires, Ripley and J. P. R. Williams were all held up in the final assaults.

The game swung Leicester's way because they presented an unbreachable defence in which Hall and Dodge missed nothing in midfield, nor Duggan nor Barker on the wings. No matter what short kicks were taken, they were all rebuffed heartily.

But it was the revival of the Leicester pack and its ultimate collective dominance of the Barbarians that carried the day. Well though Stewart and Ripley played, they were eclipsed in unit terms by Kempin, Adey and Forfar.

Adey was invaluable helping at the front of the line-out, and while Kempin played a tight role, Forfar was everywhere, cutting down attackers and then lunging forward in headlong attack.

Rowell, the apparently ageless captain of Leicester, set a remarkable example, and Wheeler had his best game for some while.

Nor did the Leicester backs ignore the chance to run and live dangerously. When the forward battle reached its height it was Leicester's better mauling technique that gave young Kenney the time and space to spray the ball to either Jones or Hare, who were both able to relieve the threatening situations.

Kenney has qualifications for Scotland and England, and the England selectors would do well to include him in a trial as soon as possible.

His passing off the ground was clean and quick, and his sense of reaction is highly developed. He was far better than either of the scrum halves on view in the last England trial.

If his was very much the central role, this is in no way to belittle a magnificent team effort. The Barbarians, for all their panache, could never summon the same collectivity of execution, only intent. The two contrasting elements made for a memorable game.

Victory snatched from Llanelli

BRISTOL SNATCHED victory from an injury-hit Llanelli at Stradey Park yesterday with a try in the third minute of injury time.

With the conversion by Sorrell this gave them 13 points to Llanelli's nine and two tries to one.

It was their first win at Stradey for 20 years and the vital score came from a kick ahead chased by a posse of Bristol backs. It fell to Chris Williams to make the touch-down.

The move came from the third strike against the head by veteran hooker John Pullin and was helped in no small way by the conditions. The defence was caught on the turn by a ground which was already hard when the players ran gingerly on to the pitch. As the game progressed, so the temperature dropped and the clatter of studs on frozen mud gave witness to the conditions under foot.

Llanelli were without forwards Quinnell, Llewellyn and Powell, centres Bergiers and Gravelle, and wings J. J. Williams and Andy Hill.

Yet they managed to play the more positive football with the aid of good line-out possessions from Davies and Jenkins and varied back moves controlled by captain Phil Bennett.

Bristol were more content to spoil and kick and though neither side will have been pleased with the overall quality of their game, Llanelli brought greater variety and rhythm.

By mid-way through the second half they were well on top. Although the Bristol tackling and mauling was well up to standard, Llanelli had won ample possession and far the greater territorial advantage.

They were also leading by nine points to three after Bennett and Sorrell had swapped penalties to turn round three-all at half time.

The Llanelli try came in the seventh minute of the second half from lock Alun Davies who forced his way over the line after Bennett and left-wing Hamer had made the crucial break. Bennett converted.

In the 20th minute, Bristol lost their young lock, Pomphrey, who was carried off with torn ligaments in his right ankle. He was replaced by Donovan and three minutes later Chris Williams scored his first try from a brilliantly picked-up kick ahead. Sorrell missed the conversion from out on the right.

Llanelli were now continually being caught by the stiff Bristol tackling as they persisted with playing a tight game. Charlie Thomas, John Williams, Keith Williams and Hefin Jenkins manfully took on the opposition only to be stopped in their tracks.

Then came the killer second try from Williams for Bristol and despite a total of 14 minutes of second half injury time Llanelli were unable to win the day.

STUART ALEXANDER

SOCCER — BY TREVOR BAILEY

Chelsea head for Division One

IT WAS pleasing to see the biggest crowd of the year at Stamford Bridge for Chelsea's Boxing Day local derby with Fulham helping to ease their financial problems.

There are several well-above-average sides in the Second Division who would not be out of their depth in the First, although on the evidence of this game that fact might be doubted. Chelsea, who are top of the league table, made heavy weather of beating a limited Fulham, who are clearly going nowhere.

Chelsea should have settled the issue well before the interval, but squandered numerous chances, including a miss by Swain which any schoolboy would expect to convert. It began to look as though Fulham, in spite of a creaky, mistake-ridden defence, would come away with a point which they did not deserve.

The breakthrough was eventually achieved by the massive Droy, who headed home a well-placed free kick to the far post and in the closing stages another goal was added by Swain, to give Chelsea a 2—0 win.

Droy, who is on the transfer list, came back into this speedy and potentially exciting Chelsea side, because of an injury to Wicks. Although Droy's size precludes him from having the skill and finesse of his smaller, neater colleagues, he had, quite apart from his goal, a good match and demonstrated the value of a big, strong old-fashioned-type centre-half.

In the air he is nearly unbeatable and he provides a threat to any defence when he comes upfield for set pieces, not only because he gets up so high, but also because his strength enables him to withstand the physical challenges of most opponents.

Any First Division side with a suspect rearguard could do far worse than buy him, providing his partner in the middle of the back is sharp.

The young Chelsea 11 is clever, exceptionally fast and full of confidence and, though not at their best on Monday, could well develop into an outstanding combination, though they probably need a top-class marksman and Bonetti still looks vulnerable against the high cross. An example of their pace occurred in the second half when their counter-attack, following a Fulham corner, was so quick that they achieved a three to one situation.

In contrast, Fulham were disappointing, apart from moments of magic by Best, who flitted over the ground with what appeared to be a roving commission, an excellent performance from Evanson in midfield and the occasional dribble down the right wing by Barratt.

Who will gain promotion with Chelsea? They look near certainties, especially when one remembers they also head the London Combination and possess a fine batch of young reserves.

My money is on Wolves, who have the best attack in the division, as they demonstrated so dramatically at Bristol Rovers on Boxing Day, and Notts Forest under the shrewd direction of Brian Clough, but Bolton, as they showed last season, are a well-balanced team and Blackpool are continually under-rated.

RACING — BY DOMINIC WIGAN

Choices for Cheltenham

AS ANTICIPATED Kempton's Boxing Day card presented some of the best racing seen so far this season, and the bumper crowd at the Sunbury track went home more than satisfied.

The most informative race of the day was the feature event, the King George VI Chase, in which Fort Devon ran a remarkable race considering that it was only his second outing in this country, to finish second behind Royal Marshall.

Had it not been for two untidy jumps at the third and second from last fences Fort Devon, an established champion in his native America, would almost certainly have followed up his Wincanton victory with another triumph.

Fort Devon, who is likely to go for either the Cheltenham Gold Cup on March 17 or the Grand National a fortnight later, appeals as a sound proposition for Cheltenham, where the left-handed course and long uphill finish from the final turn into the home straight should bring out the best in him.

At his current quote of 8—1 for the Gold Cup Fort Devon makes considerably more appeal than last year's winner, Royal Frolic, who is on the same mark.

Another exciting Festival prospect quoted at 8—1 is Dramatist. His intended target is the Champion Hurdle, in which he finished a disappointing sixth of eight last spring.

Always going well in the William Hill Christmas Hurdle, Fort Devon's stablemate ran on strongly to win on merit from Night Nurse and Bird's Nest. Although the Lambourn five-year-old will find himself meeting his victims on level terms at Cheltenham, and not with the benefit of a 3 lb pull which he enjoyed on Monday, I shall be more than surprised if he does not make a bold bid to collect the placings.

It is difficult to understand why William Hill had him at 8—1 with Night Nurse and Bird's Nest quoted at 2—1 and 4—1 respectively. Those odds will not remain for long.

Two important races yesterday which resulted in turn-ups were the £12,000 Irish Sweeps Hurdle at Leopardstown and Kempton's Kenton Chase.

In the big Irish hurdle the 25—1 Master Monday with a relentless late run took back Straight Row, with the rapidly tiring Colonial Cup winner Grand Canyon, finishing seventh or eighth.

At Kempton Pendil shrugged off the disadvantage of a long absence from a racecourse to score a 10—1 triumph over sole opponents Game Spirit and Spanish Tan.

TV/Radio

† Indicates programme in black and white.

BBC 1

9.55 a.m. The Wombles. 10.00 Scooby Doo. 10.15 Children of Destiny. 11.10 Bugs Bunny. †11.15 Flash Gordon. †11.30 "Tarzan and the Slave Girl," featuring Lex Barker. 12.45 p.m. News. 1.00 ... Below: Commander Richard Compton-Hall recalls some early experiments with submersibles. 1.45 Fingerbobs. 2.00 "Three Lives Of The Apples," starring David McCallum. †3.25 Happy Faces (Mack Sennett comedy). 3.53 Regional News (except London). 3.55 Play School 4.20 Wacky Races. 4.30 Jackanory. 4.45 Goober and the Ghost Chasers. 5.10 The Phoenix and the Carpet. 5.35 Paddington. 5.40 News.

5.50 Tom and Jerry (London and South East only). †5.55 Laurel and Hardy in "Me and My Pal." 6.15 Tomorrow's World New Year Special. 6.45 "Solomon and Sheba," starring Yul Brynner and Gina Lollobrigida. 9.00 Party Political Broadcast on behalf of the Liberal Party. 9.10 News. 9.25 Big Bren and Brasher: Brendan Foster and Christopher Brasher examine what the Olympics really mean. 10.25 Omnibus. 12.05 a.m. Weather / Regional News.

All Regions as BBC-1 except at the following times:—

Wales—10.45-11.10 a.m. Teliffant. 4.45-5.05 p.m. Mae Gen I Stori ... 5.05-5.10 Crystal Tipps and Alistair. 5.50 Wales Today. 6.05-6.15 Heddiw. 9.35-10.25 Un Freuddwyd, Dwy Wlad. 12.05 News and Weather for Wales.

Scotland—5.50-5.55 p.m. News ... Commentator's View Of Sport '76. 12.05 a.m. News and Weather for Scotland.

Northern Ireland—5.53-5.55 p.m. Northern Ireland News. 5.55-10.25 ... Northern Ireland News. 12.05 a.m. News and Weather for Northern Ireland.

England—5.50-5.55 p.m. Regional News and Weather.

BBC 2

10.30 a.m. Nai Zindagi Naya Jeevan. 11.00 Play School. 7.15 News On 2. 7.25 The Kingston Sailing Olympiad on the shores of Lake Ontario. 8.25 The Golden Sea-Swallow Of Knokke 1976. 9.00 Party Political Broadcast on behalf of the Liberal Party. 9.10 The Glittering Prizes. 10.25 Poems and Pints. 10.55 Late News On 2. 11.05 The Conspiracy Of Fiesco In Genoa by Friedrich von Schiller. 1.05-1.10 a.m. Closedown: Paul Scofield reads "Ali Ben Shufti," by Anthony Thwaite.

LONDON

9.30 a.m. Out Of School. 11.00 Cartoon Time. 11.05 A Fast Drive In The Country. 12.00 Here Comes Mumfie. 12.10 p.m. Mister Trimble. 12.30 Mr. and Mrs. 1.00 News, plus FT index. 1.20 Today's Post. 1.30 Crown Court. 2.00 "The Sundowners," starring Deborah Kerr, Robert Mitchum and Peter Ustinov. 4.20 The Sooty Show. 4.45 Pop Quest. 5.15 Cartoon Time. 5.45 News. 6.00 Today. 6.35 Crossroads. 7.00 This Is Your Life. 7.30 Coronation Street. 8.00 Frankie Howerd's Titter-time. 9.00 Party Political Broadcast. 9.10 The Dame Of Sark. 10.10 News. 10.40 Decade Of Change: World Soccer 1966 and 1976. 11.40 The Streets Of San Francisco. 12.35 a.m. Close: Joyce Frances Carpenter reads one of her own poems.

All IBA Regions as London except at the following times:—

ANGLIA · ATV MIDLANDS · BORDER · CHANNEL · GRAMPIAN · GRANADA · HTV · SCOTTISH · SOUTHERN · TYNE TEES · ULSTER · WESTWARD · YORKSHIRE

RADIO 1 — 247m

RADIO 2 — 1,500m and VHF

RADIO 4 — 434m, 330m, 285m and VHF

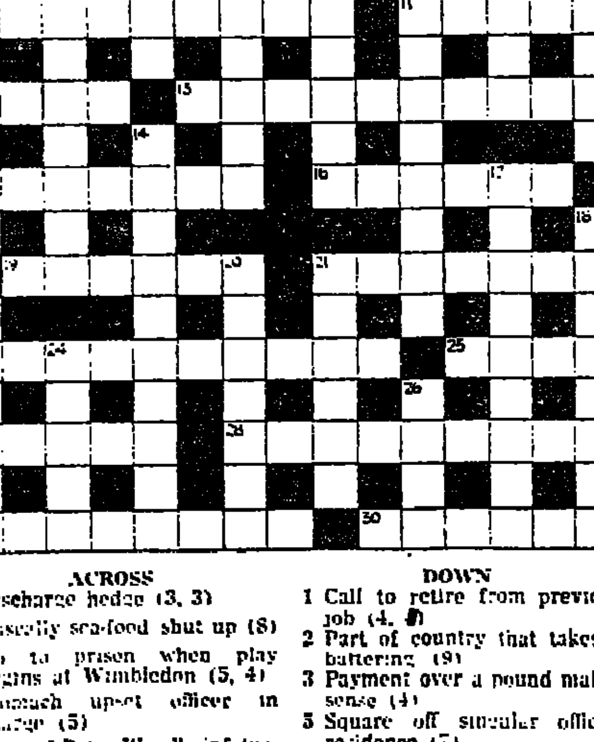
RADIO 3 — 464m, Stereo & VHF

BBC Radio London — 206m and 94.9 VHF

London Broadcasting — 261m and 97.3 VHF

Capital Radio — 194m and 95.8 VHF

F.T. CROSSWORD PUZZLE No. 3,268



ACROSS

1 Discharge hedge (3, 3)
4 Rascally sea-food shut up (8)
10 Go to prison when play begins at Wimbledon (5, 4)
11 Stomach upset officer in charge (5)
12 Start of Peter Wood's infatuation (4)
13 Features adornment sought by trippers (6, 4)
15 Steal away with petticoat showing (4, 3)
16 Recruit a bird that is . . . (6)
19 . . . cooped up as it is written (6)
21 Athletic student is like this first person (7)
23 Form of investment individual relies on (4, 6)
25 West-end wag is a fool (4)
27 Plants giving amusement to soldier (5)
28 Present needing no down in the mouth observer (4, 5)
29 The erect are sufficiently confused to amuse themselves (5)
30 Credit is repeatedly at danger point (6)

DOWN

1 Call to retire from previous job (4, 4)
2 Part of country that takes a battering (9)
3 Payment over a pound makes sense (4)
5 Square off singular official residence (7)
6 Irish boy gets doctor to employ film star (5, 5)
7 One makes a mistake in Oxon (5)
8 Godlike witch disrupts the ace (6)
9 Bar over the way goes in for strip (6)
14 Come out and see clown bump into . . . (2, 2, 6)
17 . . . foundry a club operates (9)
18 Don't take as much time off when unsettled (8)
20 Put it to sleep they say with carpet (7)
21 The French swell and explode (3, 3)
22 Cook making boiled pudding is a flop! (6)
24 Half the nation one caught in order from Greece (5)
26 Old god annoyed with lisp (4)

The solution of last Friday's Christmas Prize Crossword will be published with names of winners on Saturday, January 8.

SNOW REPORTS

[illegible]

Cambridge

John Curry

by B. A. YOUNG

Poetry in motion, as the old pop song had it, lovely locomotion—here it is indeed, the grace of the skaters lightly iced with the invention of clever choreographers. The *Theatre of Skating* does not quite emerge as a new art form in this programme: that is something that may emerge when there are people involved in it who are less committed either to skating or to ballet and have spent time investigating the theatrical possibilities of skating *absolutely* afresh. But in spite of the reservations that I am now about to make, the entertainment is immensely enjoyable, and was very much to the taste of the first-night audience—though some of the first-night audience, with their undertone of camp, are the very people who should be kept away from John Curry, by force if necessary, lest he should be turned into a pop idol with admirers caring only for his beauty instead of his art.

The programme is divided into three parts. The first consists of a series of dances to Schumann's *Scenes of Childhood* choreographed by Peter Darrell. A continuing theme shows an adolescent (John Curry) moving through, and into, a world of maturer boys and girls. This is an item that leans heavily towards the dance: it is a skated ballet, and so shows up the difficulty skaters have of becoming total dancers. David Vaughan made the point when reviewing John Curry's New York appearance in Twyla Tharp's *After All* —"how clunky the skaters' feet look in the air, how unstretched the knees, how ungainly the *port de bras*"—and the ice-rink agility at which this entire company excels, and which seemed to be what pleased the house best, cannot compensate wholly for this.

In the second part there are three short items. *Feux-Follets* (to Liszt) is a solo for John Curry in which he shows off the matchless elegance with which he can invest skating movements. *Suite for Sitar* is a series of dances to music of monotonous poverty by Grant Hossack which gives an opportunity for the other dancers in the company to show their paces—Cathy Foulkes, Lorna Brown, Jacqule Harbord, Paul McGrath, Bill Woehrle and Paul Toomey, top experts all. John Curry then dances a version of *L'Apres-midi d'un faune* to a tape of Debussy's music played, apparently at sight, in a piano transcription: the choreography, unattributed in the programme, seemed to me irrelevant. Someone should read *Mallarme* as well as listening to Debussy.

The third part contains what I thought the most successful piece, a *Jazz Suite* to music by Thad Jones and Mel Lewis, choreographed by Norman Maen. Principally this is pattern-making, the dancers in their coloured silk boiler-suits taking advantage of the skater's ability to move fast in any direction, or to stop moving, or change direction, and so creating some delightful stage-kaleidoscope effects. There are solos, including a sparkler by John Curry based on sporting movements, but there is less reliance on classical ballet than on theatre dance routines. (Mr. Maen's work in this line can be seen at the Adelphi, in *Irene*.) If I say that in this genre the work of the skater-dancers showed up best, I am not implying that it is not suitable for anything more intellectual; but this show is pioneer work, and the more cultivated reaches have not yet been attained.

The stage at the Cambridge is not really big enough for skating, and undoubtedly some of the movement seemed cramped. Nadine Baylis has designed a cloudscape around the skating area that is enough, will serve, like *Mercutio's wound, but might* as well have been left plain. There is some more décor illustrated in the programme for a dance that is not danced, one of several things that suggest that the show was mounted in a hurry. Most of the costumes are by Joe Eula, chiefly elaborations of everyday wear; but Anthony Dowell has provided something a little more elaborate for *Suite for Sitar*.

Helga Dernesch and Peter Hofmann

Paris opera

Die Walküre

by RONALD CRICHTON

The Opéra in Paris, as befits one of the most star-studded, heavily subsidised lyric threatres in the world to-day, has embarked on a new staging of Wagner's *Ring*. The first two evenings just made the centenary year. *Siegfried* and *Götterdämmerung*, it appears, must wait till 1978—even in Paris, opera has financial problems. Solti conducts, with Edward Downes taking over after the first two performances of each opera. The producing is shared between two eminent theatre men from the Schaubühne in West Berlin, Peter Stein (*Das Rheingold*) and Klaus-Michael Grüber (*Die Walküre*). Although the appeal of the Opéra is now strongly international, Paris programmes are not convenient for visitors. There are just two occasions in the *coming January when the* first and second parts of *The Ring* can be seen on consecutive evenings—but in the wrong order.

This may not matter very much. I have not seen what is said to be a bare, radical *Rheingold*, but *Walküre*, of which the second performance fell in the week before Christmas, was evidently cast in a quite different, unconnected style. Mr. Grüber's treatment showed no discernible conviction or consistent attitude. At times he and his designers (Eduardo Arroyo for the sets, Moidele Bickel for the costumes), by mingling realistic elements with a strongly anti-illusionist approach, seemed to be pouring ridicule on the whole business of opera. At others one felt a sort of benumbed respect for Wagner: at least the singers, however absurdly they were got up, were seldom involved in unnecessary movement. The musical interpretation belonged to a different world from what was seen on the stage. After the unity of the recent Scottish *Meistersinger*, the disparity was doubly glaring.

I doubt if the first act of *Walküre* could be better sang anywhere to-day than by Helga Dernesch, Peter Hofmann and Kurt Moll. Both Siegmund and Sieglinde looked superb. Miss Dernesch was in radiant voice, phrase after phrase delivered with intensity but absolute steadiness in her typical chalumeau colouring (why, with this artist in her prime, must we have dull Sieglindes at Covent Garden?). Mr. Hofmann's Siegmund was the perfect foil for her with his warm, compact tones: vocally as well as physically they were a credible brother and sister. Their flight scene in act 2 was the only moment in the evening when drama and music really meshed. It could be held, wrongly I believe, that Kurt Moll's voice is too beautiful for Hunding. There is no brute menace in it, but the quiet authority of his warning to Siegmund left no doubt concerning the man's ruthless intentions.

The second act brought Gwyneth Jones as Brünnhilde (replacing the indisposed Ursula Schröder-Feinen), Theo Adam as Wotan, Christa Ludwig as Fricka. Miss Jones's war-whoops had tremendous excitement: she is an interesting, likeable Brünnhilde —human, vividly communicative. Some of the singing is uneven in execution: none of it is dull. This time, we were spared a caricature capitalist of a Wotan. Mr. Adam's god is a hard-bitten, still active warrior, a smart operator but neither wreck nor back number. *Miss Ludwig's Fricka is equally* formidable in her ferocious defence of conventional morality. The present touch of asperity in the voice is right for this role.

Some of these performances were given under difficulties of the designers' making. Siegmund endures a short tunic of chain mail *with four or five arrows* sticking in the back, at the sight of which Sieglinde betrays neither surprise nor concern. Hunding is a medieval knight in black armour. Wotan has a horned helmet (horns are back, with a vengeance), Fricka close-fitting ramshorn headdress and a skirt with wide Marschallin paniers adorned with the horned heads of four chamois. The Valkyries' horns are slim and sprightly-antelope and gazelle, decorative but too delicate for Amazons. Brünnhilde's spikes surmount a blue, rubbery cape and brick-red pyjamas fit for Sinbad the Sailor in a dismal provincial pantomime.

The sets have surreal touches like the rump and tail of a stuffed horse protruding backwards through the wall of Hunding's hut—a wall made of hundreds of uniform, dark jackets hung in rows. The textural effect is rather good, though the relevance to a primeval Teutonic forest is obscure. The tree has been cut down to a stump, in which the sword is embedded. If nothing else, this makes Siegmund's extraction of it (from above) less ridiculous than usual. When the wall is whisked up at the crucial moment the older *members of the audience gasp in* anticipation (a real spring night at last?), but what they see is a conical pyramid of sandbags with a clump of imitation deer (more horns) disposed about the summit, and a full, kitschy moon.

The sandbag hillock reappears in the next act with two larger ones, also deer-sprinkled. In stage centre are some shiny cylinders, whose purpose remains uncertain. For the Annunciation to Siegmund, Mr. Grüber follows Wagner's stage direction — Brünnhilde appears leading her horse, Grane. But the Opéra's docile pony nuzzled Miss Jones, who craftily slipped him at least one lump of sugar. Touching, but unhelpful to the most solemn scene in the opera. In act 3 we see dead warriors and more horses, the latter eventually ridden off by the Valkyries at a fair canter—some of the warrior-maids were better horsewomen than singers.

By now the hillocks have been pushed to one side to make room for real Christmas trees half shrouded in plastic hoods, with snow falling peacefully to the *storm-ridden music. Since there* is nowhere convenient for Brünnhilde to lay herself down (a kitchen chair is produced for Wotan's lecture on daughterly duties), the god leads her slowly off-stage before returning to summon Loge, who obliges with real, gassy-looking flames. Whether or not one likes Götz Friederich's Covent Garden *Walküre*, it is far superior to this, on an altogether higher level than this poor stuff, which does not even achieve the saving grace of Chéreau's sensitive handling at Bayreuth of the relationships between the characters.

In Solti's conducting the nervous febrility he used to bring to Wagner, though still detectable, has given way to a broader flow. Under his leadership the always potentially excellent orchestra at the Opéra has become a very fine instrument. There was brilliant playing with much beguiling detail, yet one listened in vain for the real Wagnerian blend. Perhaps it isn't to be had from French brass, fascinating though their distinct colours are. So one's *chief memories of this weird Walküre* will be of trivial saddening things, like Mr. Hofmann's exasperation as he struggled to remove the arrow-waistcoat in time to embrace Sieglinde, or the dismay and anger on Miss Ludwig's features as her costume was greeted with hoots of laughter.

Oxford Playhouse

Puss in Boots

by GARRY O'CONNOR

The mill in this *Puss in Boots* is a marmalade mill, the giant ogre a greedyguts for oranges the impoverished kingdom (in contrast to the rich miller) called Marmaladia. It gives this pantomime the unusual patina of a miracle play presented by the Oxford guild of chunky marmalade makers, though ground marmalade, or orange-peel flour, would hardly figure highly even in an ogre's diet.

No matter, though, for it's a splendid pantomime, maintaining the excellent tradition of this *playhouse for Christmas entertainment.* One was intrigued to see how the nursery rhyme and panto machinery (the good sprite, the oldbad demon, Mary Mary quite contrary, and the usual wet but nice Jimothy growing silverbells) would fit into the stark and clear tale—at least in the bedtime version read to children — of Philip's rags-to-riches story, and the cat's total amorality of deception. But the John Crocker version faithfully follows this, juggling the ingredients so that something unexpected always turns up to create further excitement.

The poor miller's brothers are kept well to the fore, kidnapping the princess in various disguises such as musicians in the palace ("now list . . . I play a lot of things by handle" etc. . . .) and the bad people have everything going their way early on in the second half (often a dull spot in a pantomime). The second half builds into a furore of action and incident. The ingenuity does not quite explain the acquisition of the Ogre's castle by Puss, and it's the restoration of the miller's treasure in the end that makes *Philip rich.*

Thick Wilson, doubling King Marmaduke and an Irish ogre, Eddie Molloy as the Marmaduchess, Peter Gordon as the malevolent spirit afflicted by age and backache make a formidable comic and sinister trio. Gail Harrison as the Princess, Patrick Ryecart as Philip and Carmen Sautoy as Puss are dashing and spirited. Michael Knit's sets are picturesque and unusually atmospheric, and so is Geoffrey Burford's music. Leo Kharibian directs with character and a good eye for the telling repetition much beloved by children.

Tintin's Great American Adventure

by DEBORAH PICKERING

The idea of a children's musical out of Herge's strip cartoon books with a background of Chicago speakeasies, Indian reservation and Wild West saloon bar is good. Young teenagers (so mine tell me) identify with the period and are fascinated with the Prohibition era. What is bad about this adaptation by Geoffrey Case (*music by* Ilona Sekacz) is that it doesn't fit into the Unicorn Theatre scene.

There is no violence (swinging punches, gun-fights and menacing outbursts are obvious burlesque): there is no obscenity; not a soupçon of bad taste and no incident that would keep the kids awake at nights . . . my problem was avoiding a sleep in the stalls. What were surely meant to be dramatic pauses were invariably boring hiatuses. When there is a crescendo of children's sighs, kicking of seats and the sight of two tots collecting empty popcorn boxes from beneath others' shuffling feet there is something very, very wrong.

Perhaps we have been spoiled by a surfeit of Unicorn's quality . . . tailor-made productions have been great successes. *Tintin* is a fun piece, it has super sets, a good cast (including four live dogs) and some lively music and songs and yet . . . yet it suddenly drops from bursts of action into graveyard despondency. It was too long and often too slow for last Wednesday's audience.

Ursula Jones as Rootin' Tootin' Martha was a brilliant life-saver. As Tintin, Allan Hendrick, looking like Danny la Rue playing the late Duke of Windsor, rolled his eyes and shook his shock of hair like the soppy-boy reporter demanded and Meryl Hampton was a marvellous moll. The rest of the cast worked hard.

Threat to National Theatre visit

A National Theatre presentation in Norwich planned for next March will be called off if the theatre does not drop a demand for 65 per cent. of the box office receipts on behalf of the National Theatre. The general manager of the Norwich Theatre Royal, Mr. Dick Condon, said he thought the National Theatre was being too greedy. He said: "The 65 per cent. demand is unacceptable for a subsidised company and I have no justification for paying it."

Leonard Burt

John Curry

Olympia

Rod Stewart

by ANTONY THORNCROFT

When singers get more coverage in the gossip columns than on the music pages they stop giving concerts: they take *part* in spectacles. The only thing wrong with spectacles is that few people in the audience *can see* anything.

A spectacle demands a vast money-making auditorium, like the Grand Hall at Olympia, and a high investment in *special* effects to distract attention from the unfortunate fact the big attraction has the visual impact of Tinkerbell. It also requires a really super star with a personal dynamo that can filter out to touch the vast majority, doomed to remain in the outer darkness.

Well, Rod Stewart is certainly a star, and he worked hard enough at his Christmas concerts to deflect easy criticism. He over-dressed *in corsair's* pantaloons, and belted around the stage like an active hamster. He also sang all the old *favourites* rather than his latest releases, and gallantly *strained* a *notoriously* feeble voice, enfeebled further by a cold. Stewart had also spent money (presumably ours) on a good band of (mainly) American musicians, and on some white sheeny curtains, which effectively ensured that any enthusiastic calls for "more" from the fans did not get out of hand.

Most of the packed crowd seemed happy enough to have "seen" Rod, and the whole occasion was more an act of faith than a musical event. Rod Stewart, ironically, has a casual charm which is most effective in small theatres; and the giant screen, which was the most comfortable thing to watch, emphasised the lack of subtlety and the stereotyped gestures in his performance.

Sensitive songs like "Georgie Boy"; romantic ballads such as "Sailor"; and second-hand rockers like "Get Back," are padded out with a similar range of extravagant posturings. But the seasonal atmosphere, the safe choice of very good material, and Rod Stewart's own enthusiasm saw the show satisfactorily home. It would be nice, though, if Rod Stewart, and the other rock giants, could some *time* settle for a smaller box-office take and more accessible and sympathetic venues.

Covent Garden

L'Elisir d'amore

Donizetti's gentle comic opera, newly produced by John Copley for the Royal Opera *last December*, was revived on Thursday to general enthusiasm. The opera is by no means as easy to give as its rustic simplicities and sunny play of feelings might suggest; and, in the early part of the evening, a prevailing air of undifferentiated mildness in the music and the action had one wondering whether its charms were as durable, its musical inventions as consistently felicitous, as one had always believed. Then, as the kindly and courteous conducting of John Pritchard began to gain in high spirits, and the sweetshop abundance of Beni Montresor's sets to lose their *selfconscious* prettiness, the evening came alive.

From the first cast, the Nemorino of José Carreras and the Dulcamara of Geraint Evans return: Ileana Cotrubas' Adina and Ingvar Wixell's Belcore introduce themselves to London. Miss Cotrubas, enchanting as ever, and singing her music in long lines of rare sweetness, subtlety and breadth, seems not quite naturally cast. The spikier, nastier-toned Italian soubrette whose faults Miss Cotrubas quite avoids will sometimes invest tiresome Adina with just that touch of spice and sharp nails, that teasing, playful brightness, that was here lacking. Severely coiffed, with a single strand of pearls, she looked cool and distinguished, more Verlaine's "châtelaine en sa tour" than Romani's village siren. By "Prendi, per me sei libero," the *blend of sparkle and softheartedness* was being more nearly approximated, though still not achieved.

By contrast, the gullible, soulful Nemorino is exactly captured in Mr. Carreras' charming and utterly natural study (how unerringly, and with what unexaggerated good humour, he touches in those terrible moments of shyness, of sudden passion and embarrassment, in the opening scene). The voice is currently at its *zenith*—so beautiful of tone, caressing and velvet-textured, used with so little of tenor vanity or preening, that it exerts its own kind of spell—only some while after "Una furtiva lagrima" did one realise that there are possibilities in the aria for further refinement of technique, polish of phrase, still to be explored.

Dulcamara's first appearance, as an oriental potentate festooned in all the colours of the rainbow, is one of the costume designer's less happy ideas—a look at Lablache in the programme, the perfect figure of a mountebank, should have been sufficient to indicate the point where understatement brings its own rewards. Evans, in characteristically genial and house-warming mood, never quite gets the style right—partly a matter of extreme sophistication in delivery of the words, and partly an exquisite dignity of bearing. Wixell's Belcore swaggers boldly, the voice in strong, thrusting form, though his is perhaps not quite the *bella figura* the part ideally requires. A word for Lillian Watson's Giannetta, as pert and vivid as everything she does; her encouragement to the chorus to be less lacklustre was *particularly admirable.*

MAX LOPPERT

ENTERTAINMENT GUIDE

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OVERSEAS NEWS

Fukuda chooses Cabinet plans to meet Opposition

BY DOUGLAS RAMSEY

TOKYO, Dec. 28.

MR. TAKEO FUKUDA, Japan's *new Prime Minister*, has completed his new Cabinet in advance of the next session of the Diet (Parliament), opening on Thursday. The 71-year-old leader of the Liberal Democratic Party to-day also let it be known that he will meet Opposition leaders next week in an effort to agree how to conduct business in the Diet after the LDP's loss of a working majority in the Lower House at the December 5 elections.

In a major departure from past practice, Mr. Fukuda named only one faction leader to a Government post, and even this appointee, Mr. Eiichi Nishimura, is only standing in as head of the Kakuei Tanaka faction because the former Prime Minister had formally to leave the LDP when he was indicted last summer. Mr. Masayoshi Ohira, outgoing Finance Minister and erstwhile rival of Mr. Fukuda, was named LDP secretary-general, a position widely believed to put him directly in line for the premiership when Mr. Fukuda steps down.

The three major Cabinet jobs, however, went to close friends or proteges of the new Prime Minister:

Mr. Hideo Bo, 72, is Finance *Minister. Chairman of the party's* tax system research council, he also distinguished himself as Health and Welfare Minister in the late 1960s.

Mr. Iichiro Hatoyama, 58, is Foreign Minister. Without any diplomatic experience so far, Mr. Hatoyama is an Upper House member who entered politics only in 1974 after a successful career at the Finance Ministry. As a Fukuda protege, he can be expected to leave the big decisions to the Prime Minister.

Mr. Tatsuo Tanaka, 66, Minister for International Trade and Industry, has been a Fukuda crony since the Sato Cabinet, when he was director-general of the Prime Minister's office.

The single thread which runs through Mr. Fukuda's major appointments is their apparent *subservience to the Prime* Minister's own way of thinking. By contrast, Mr. Fukuda did almost the reverse in picking Parliamentary Vice-Ministers to fill out the Government ranks, and publicly announced that he had done so on the basis of securing hard experience regardless of political affiliation. As a result, almost half the new appointments were given to members of the Tanaka faction and half a dozen Ministers of the Miki Cabinet were asked to keep their portfolios in the next Government.

Similarly, the new Prime Minister emphasised youth on *his front bench by promoting at* least three rising, if controversial, stars from the party's back benches. They are:

Mr. Toshiki Kaifu, 45, Education Minister, a Miki protege; Mr. Jushiro Komiyama, 49, Posts and Telecommunications Minister. He is a former journalist and member of the Tanaka faction; Mr. Shintaro Ishihara, 44, Director-General of the Environment Agency. The most controversial of Mr. Fukuda's appointments, Mr. Ishihara is a charismatic former novelist who first entered politics at the 1968 Upper House elections, winning 3m. votes, the highest ever polled by any Japanese politician in any election. Mr. Ishihara also leads the right-wing group of LDP members called Seirankai, and is one of the only voices in the Diet in favour of nuclear rearmament.

The first obvious conclusion is that Mr. Fukuda will take personal charge of all major decisions in the economic and foreign policy realm in a way that none of his predecessors was able to do. The second is that Mr. Fukuda sees no logic in shifting the balance of power within the LDP to the left. Nonetheless, a third conclusion suggests that Mr. Fukuda is also keenly interested in ramming through all sorts of measures to prop up the economic recovery, now at a standstill. To do so, he to-day committed himself to talks with the Opposition leaders, and some of his front benchers have been given their jobs to help round up votes from the Opposition on the Diet floor.

Spain may free top Communists

BY OUR OWN CORRESPONDENT

MADRID, Dec. 28.

SPANISH COMMUNISTS to-day appeared confident that the Government will soon start releasing the party leaders arrested on December 22.

Snr. Santiago Carrillo, the party's 62-year-old chief, and seven other leading Communist officials are being held at the Carabanchel top-security jail.

All of them nave been charged with illegal association and could be imprisoned for up to six years. Sr. Carrillo and the others have appealed against the charge, which is based on the assumption that the Spanish Communist Party has totalitarian aims and is subject to an international discipline. Proving the charge at trial would be left to one of the public order courts set up by the late General Franco specifically to deal with political cases.

Communist officials, however, expect the Government to try to abate the storm of international protest the arrests have caused by gradually releasing the jailed party leaders on bail. Sen. Carrillo would, however, probably be the last because of the symbolic significance of his release.

By freeing the Communists, the Government could also hope to put an end to the wave of left-wing demonstrations which have broken out all over Spain at a time when the Government is facing problems within the security forces. The top echelons of the Spanish security apparatus were purged last week after Civil Guards and Policemen took to the streets in Madrid to demand the resignation of the Minister of the Interior, Sen. Rodolfo Martin Villa.

One of the new appointees, General Antonio Ibanez Freier, to-day swore he would put down any attempt to subvert the 65,000-strong Civil Guard now under his command. He called for unity within the paramilitary forces, but the boycott of to-day's swearing-in ceremony by his predecessor, General Angel Compano, indicated the kind of trouble he could expect. General Ibanez Freire is a veteran of the "blue division" of Spanish volunteers who fought with Germany in Russia, but his sudden promotion to lieutenant-general is reported to have caused resentment in the rigidly hierarchical Spanish army.

Philippine Moslems' autonomy

Philippines President Ferdinand Marcos has announced his agreement to the formation of an "autonomous" Moslem region in the South, where four years of violence in support of demands for self-government have left more *than 10,000* dead, writes Our Manila Correspondent.

Speaking at a televised news conference on Monday, Mr. Marcos said this agreement was part of a preliminary peace pact arrived at in the Libyan capital of Tripoli by a Philippine Government panel negotiating with the Moro National Liberation Front. The President said he expected a final settlement to be signed in April.

Slick heads west

The 7.5m.-gallon crude oil slick from the wrecked tanker, Argo Merchant, is reported by the U.S. Coast Guard to be well out into the North Atlantic and moving *steadily in the middle of the Gulf* Stream towards the west, writes our New York Staff. The captain of the Greek-owned, Liberian-registered vessel has stated that his gyrocompass was not working properly when the ship went aground on December 15, and Coast Guard investigators have said the ship's entire electronic navigating apparatus was turned off at the time of the incident.

Battles in Eritrea

An Eritrean guerilla group has reported that major battles are taking place in eastern Ethiopia between Government forces and pro-Somali guerillas, Reuter reports from Beirut. They claim *to have killed and wounded 4,000* Government troops since mid-October.

Soviet dissident

Mr. Vladimir Borisov, the Leningrad dissident, is reported to have been placed in a mental hospital for a second time, writes Our Moscow Correspondent. Mr. Borisov was one of the persons whose experiences in mental hospitals were related by Mr. Vladimir Bukovsky, who was recently freed in exchange for Chilean Communist Luis Corvalan. Meanwhile, Mr. Bukovsky is expected to visit Britain early next month before going on to Holland, where he may study at Leinden University, writes Our Zurich Correspondent.

Unita expelled

The Zambian Government has ordered all officials of the Angolan independence movement Unita to leave Zambia. Home Affairs Minister Aron Milner told Our Lusaka Correspondent that the action had been taken in accordance with the charter of the Organisation of African Unity (OAU), which does not allow member states to harbour groups fighting against the legal government of another member state.

Dutch price curbs

The Dutch Economics Ministry has announced price controls to take effect on January 1, writes Reuter from The Hague. The measures will maintain the prices policy already in force with regard to the decline in the inflation rate, a Ministry spokesman said.

French trade gap widens

BY DAVID CURRY

PARIS, Dec. 28.

A MIXED BAG of economic statisics—most of them gloomy—awaited the French Government on its return from the Christmas week-end. The most unhappy was the confirmation, in the light of poor November figures, that France's trade balance would be more than Frs.20bn. in the red in 1976, against the Frs.8bn. forecast before the summer and the Frs.12bn. expected as recently as two months ago.

November saw a crude deficit of Frs.3.8bn., taking the 11-month gap to Frs.18.3bn. (Frs.19.3bn. seasonally adjusted). Although overseas sales were 27 per cent. better in November than in the same month of 1975, imports gained by more than 41 per cent. The summer's drought and oil stockpiling get part of the blame, but the depreciation of the franc is held mainly responsible.

With industrial leaders seeing no upturn in activity for some months, figures released to-day show that housing starts this year are likely to be at their lowest level since 1970 at well below 500,000.

Meanwhile, the INSEE statistics institute has produced a very mixed forecast for the year, pointing out that the Government's anti-inflation measures depend heavily on economic reflation in the U.S., Germany and Japan to avoid provoking even more severe unemployment. The risk exists, it points out, of industrial activity falling so rapidly that the unemployment created will be out of all proportion to the success in moderating inflation.

Dassault in £12m. libel action

PARIS, Dec. 28.

FRENCH AVIATION tycoon Marcel Dassault has decided to sue the weekly news-magazine Le Point for Frs.100m. (about £12m.) in libel damages, French Radio reported.

The action concerns a series of articles about former Dassault accountant Herve de Vathaire who has alleged that M. Dassault and his companies were involved in major tax frauds. M. Dassault denied the charges.

M. de Vathaire disappeared in July with Frs.8m. (nearly £1m.) drawn from a personal Dassault bank account. He later gave himself up and is now in custody. Reuter

New clashes in Lebanon

BY IHSAN HIJAZI

BEIRUT, Dec. 28.

THE REGIME of President Elias Sarkis is faced with an urgent situation in the south *following* recurring clashes there between Palestinian guerillas and right-wing Christian forces.

Lebanese Foreign and Defence Minister Fuad Butros is expected to visit Damascus to-morrow for talks on the matter with Syrian officials. Prime Minister Selim al Hoss, who arrived in Cairo to-day, is expected to ask President Anwar Sadat to boost the strength of the Arab League "deterrent force" so troops may be sent to the Israeli border area.

Christian right-wing newspapers and leaders have expressed profound concern about conditions in the south following renewed fighting during the Christmas holiday.

One newspaper, Al Ahrar, claimed that as many as 100 Palestinians were killed in an attack against the Christian-held town of Marjeyoun two days ago.

Palestinian sources said guerilla reinforcements and heavy weapons have been sent to the south under the terms of the Lebanese peace plan which called for removal of armed men and heavy arms from Palestinian camps in Lebanese cities to the south.

● Syrian official sources today confirmed that the government has decided to lift all restrictions on Syrian Jews and restore *to them the right to travel.* Reuter reports from Damascus.

Renault forms new unit

PARIS, Dec. 28.

REGIE NATIONALE des Usines Renault SA said it is setting up a new subsidiary, Renault Vehicules Industriels International, to handle the commercial and industrial activities of its Berliet and Saviem truck divisions on international markets.

The name of the subsidiary which groups Berliet and Saviem is also being changed from Ste pour le Developpement des Industries du Vehicule Industriel (SODEVI) to Renault Vehicules Industriels-SODEVI.

Renault said the new structure merges the Saviem and Berliet sales forces and will enable the group to optimise its exploitation of international markets, thereby contributing to the development of French industrial vehicle exports. Reuter

Iranian copper deal

IRAN and Belgium have agreed in principle to broaden their economic co-operation and increase mutual trade in an accord dominated by a project for the construction of a $135m. copper refining plant by a Belgian-West German consortium of Mechim, a subsidiary of Societe Generale de Belgique, and Krupp in which Iran has a 25.04 per cent. stake.

World Trade News

Japanese to extend EEC steel curbs

By Douglas Ramsey

TOKYO, DECEMBER 28.

JAPAN'S SIX major steel producers have decided to extend their voluntary restraints on exports to Europe into 1977, industrial sources in Tokyo said to-day. The decision was a formal confirmation of concessions made earlier this month by the Japanese companies to the European Economic Community.

Although the restraint agreement has no legal character Japan agreed in late 1975 to restrict exports from its major producers to 1.22m. tonnes of steel in 1976 to the EEC. In fact, it is now estimated by officials at Japan's Ministry for International Trade and Industry that exports from these companies will only amount to around 1m. tonnes for 1976 and they expect the actual figure for 1977 to be less.

The EEC has indicated, however, that it would like Japan also to curb exports from its smaller steel companies which have more than doubled exports to the EEC, particularly for the steel angles and shapes, in 1976. The current estimate of total exports by the smaller Japanese steelmakers is around 800,000 tonnes for tre year just ending.

So far, Japanese officials have been unwilling to force the smaller companies, who are loosely led by Tokyo Steel Manufacturing, into any restraint agreement with Europe. Thus although Brussels is expected to welcome the decision of Japan's major steelmakers, it is bound to fall far short of expectations.

● Cheap Japanese steel is being dumped on Houston-Gulf coast markets in the U.S. where about 1,000 workers have been laid off recently, according to Mr. C. William Verity Jr., the chairman of Armco Steel who was speaking to some of the laid-off workers.

November U.S. trade deficit is worst ever

By Jurek Martin, U.S. Editor

WASHINGTON, Dec. 28.

A SHARP increase in petroleum imports and a decline in agricultural exports combined to give the United States its worst ever monthly trade deficit—$906m.—in November.

This gap exceeds the previous worst deficit of $888m. set in August, 1974, and is appreciably larger than the $896m. of October. It brings the deficit for the first 11 months of the year to about $5bn., in sharp contrast to the record of 197[illegible] when the U.S. enjoyed a $10.4bn. surplus.

Generally the switch from surplus to deficit reflects the fact that the U.S. economy has recovered better from the international recession than those of its major trading partners. But the November shortfall was heavily influenced by specific *factors.*

The sharp rise in oil imports stemmed from stockpiling by the major American oil companies in anticipation of an OPEC price increase. Imports of petroleum and related products, on an adjusted basis, rose to $2.9bn. from the $2.66bn. of October. Even with seasonal adjustment, the month to month increase amounted to nearly $150m.

Overall, American exports of agricultural products fell by about $150m. in November compared with October, while imports of the same products rose by over $170m.

French win Soviet orders

By David Curry

PARIS, Dec. 28.

FRENCH COMPANIES have signed in the past few days export contracts with the USSR worth about Frs.3bn. These contracts take the value of deals signed this year to about Frs.6.5bn. against Frs.4.5bn. in 1975, and Frs.5.3bn. in 1974.

The most important deal has been one by the engineering concern, Technip, which is to construct two petrochemical complexes—one on the edge of the Urals and the other in Omsk, Siberia—worth Frs.2.5bn. The plants will produce aromatics for use as a raw material in the production of polyester fibre.

Speichim has won a Frs.450m. order to build three chemical fertiliser plants each with an annual capacity of 800,000 tonnes. And a third contract has gone to the Belgian concern, Coppée Rust, to build four phosphoric acid plants. The French subsidiary of the Belgian concern will pick of around Frs.410m. of *export orders.*

Finally, Pec Industries has won a Frs.150m. order to build a potassium chloride plant.

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HOME NEWS

State industries to fight Treasury finance controls

BY ROY HODSON

THE GOVERNMENT is to be pressed to allow the nationalised industries freedom to manage their own financing without restrictions imposed by the Treasury.

A majority of the chairmen of the major State-owned undertakings now believes that the time is right, and the state of the capital markets at home and abroad is also right, for the nationalised industries to be cut loose from the Treasury's purse-strings.

As these industries are spending upwards of £3bn. a year—a figure virtually unaffected by the recent mini-Budget cuts—the chairmen are claiming that even a modest saving on interest rates could quickly be reflected in more stable consumer prices for fuels, products and services.

Among the chairmen and members of the nationalised industries' Boards there is a virtually unanimous view that they could handle their borrowings for replacement expenditure, and for capital programmes to accomplish expansion and modernisation in their industries, more efficiently if given free access to money sources.

The chairmen appear to be in general agreement on strategy in their forthcoming battle with the Treasury over its traditional control of their financing. A strong case to the Government early next year on behalf of the public sector industries is likely to be their chosen approach.

Tactics for the coming battle will be settled in the Nationalised Industries' Chairmen's Group, the secretariat of which has recently been strengthened.

In January the group will be setting up a committee drawn from its membership to study all aspects of the finances of State-owned industries. The first item on the agenda is likely to be the tactics needed to secure new freedom to borrow.

Optimistic

The Government has already given what is being interpreted as a hint that it would like to offer public sector industries more financial independence. Mr. Healey announced on December 15 that in future the Government would include in the public expenditure account only those capital sums provided for the nationalised industries directly by the Government

These industries are optimistic that the Government will wish to cut down its public expenditure account even further by encouraging them to practise more self-financing, more overseas borrowing, and by raising money on the London markets.

Self-financing is already a fashionable trend among the nationalised industries now that most of them have been allowed by the Government to bring their prices up to profitable levels. There are no set Government targets for self-financing in these industries, which makes the method an attractive alternative at present to going to the Government's National Loans Fund.

Although the level of self-financing varies considerably across the nationalised activities the generation of 50 per cent. of required new capital by that method is regarded by many chairmen as a suitable target.

The Treasury-administered National Loans Fund usually lends to the nationalised industries over 25 years and at rates which lately have sometimes fluctuated at variance with money market movements.

Some public sector industry treasurers have dossiers ready to prove to the Government that they would have been able to obtain money more cheaply, at the times of borrowing, from the London market, or from European sources, than from the National Loans Fund.

"The Treasury takes rather a limited view of borrowing through the Fund," said one chairman. "We would much prefer the more flexible arrangements that we are sure we can obtain outside. In particular, we do not want to be so tied to the rigid Treasury loan period."

The chairmen contend that, if the State expects alert and aggressive management of the public sector industries, then its managements deserve to be allowed to exercise their financial judgement to the full.

Already the Nationalised Industries' Chairmen's Group has had talks with the Treasury which could pave the way for the fundamental changes now being mooted. Discussion has centred about new ways of presenting public expenditure.

Mortgage rate rise fears recede again

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE CHANCES of another increase in building society interest rates have receded further as a result of the ¼ per cent. cut in Minimum Lending Rate announced on Christmas Eve.

Faced with a dramatic decline in net receipts over the past few months, societies have been confronted with the choice of even higher interest rates—they were raised to record levels in November—or a severe reduction in mortgage advances.

So far, opinion within the movement as to the best course of action has been equally divided but the fall in MLR by ¾ per cent. over the past few weeks has considerably strengthened the hand of society executives who believe that further interest rate increases must be avoided if existing borrowers are to escape severe financial hardship.

In November, net receipts for the movement reached only £23m., their lowest monthly total for nearly three years, and although final figures are not yet available, this month is expected to have been even worse.

The societies will be meeting again in the middle of January to discuss the situation and, despite the very poor net receipts situation, the downward trend of general interest rates could prove to be enough to persuade them to postpone any decision for the time being.

With or without higher Building Society interest rates, it seems clear that the movement will not be able to advance anything like the volume of money which went to home buyers during 1976. Total advances this year reached approximately £6bn., but a sharp reduction in mortgage lending is now inevitable.

Estimates differ about how much the movement will be able to lend, but it appears that the maximum target will be around £5bn., while advances could fall as low as £4bn. or £4.5bn. Even this sort of lending programme, however, would be one of the best on record.

VW prices going up by 8%

The price of Volkswagen cars will go up by an average of 8 per cent. from January 1. The increase is entirely due to the fall in the value o fthe pound, said Volkswagen (GB). The standard VW Golf goes up from £2,099 to £2,299. The Audi 80 range is up by an average of 8.5 per cent. The Audi 80LS rises by £266, to £3,599.

EEC aids Lancs.

Twelve Lancashire county and local council schemes costing a total of £2.85m. have been approved by the European Com- from the EEC Regional Develop- mission for 30 per cent. aid ment Fund. The schemes are in Blackburn, Burnley, Pendle, Fleetwood, and several industrial estates.

Airline sackings

British Midland Airways will issue redundancy notices next Friday. It would not disclose the number involved yesterday. The airline, based at East Midlands Airport, Castle Donnington, near Nottingham, lost £499,000 in the first half-year.

Costlier burning

National Smokeless Fuels will increase the price of Homefire, an open-fire smokeless fuel, by £4 a ton, about 10 per cent., from January 1. It blamed processing costs at the plant near Coventry.

Tax net closes

Double taxation arrangements between Britain and Ireland now include the necessary step to give the force of law to a convention signed in June and a protocol signed in October, said the Inland Revenue after an exchange of Notes between the two countries.

St. Paul's ban goes

The St. Paul's south-west experimental traffic scheme, will end on Sunday week. Traffic will again be allowed through St. Paul's Churchyard and Ludgate Hill. The City and GLC will discuss an alternative plan for a pedestrian area.

Redundancy warning at Robb Caledon shipyard expected

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MORE EVIDENCE of the crisis facing shipbuilders is likely to emerge today when the management of the Robb Caledon Yard, Leith, is expected to warn of impending redundancies.

Unions have been called to a meeting this morning to discuss the yard's future. The company is receiving Temporary Employment Subsidy covering most of its 800 workers.

Robb Caledon specialises in building small sophisticated craft. An 11,000-dwt bulk-carrier for Thornhope Shipping is virtually complete.

The yard's only other work is a liquid petroleum gas-carrier for George Gibson and Co., due for delivery in late 1977.

Without an order lay-offs are likely to start soon, and may affect up to half the workers.

Mr. Ernie Leslie, district secretary of the Amalgamated Union of Engineering Workers, said yesterday that if a new contract was signed now there would still be a delay before work could begin, while materials were bought.

"Even if they got a new order now, I imagine some of the lads might have to go," he said.

No suggestion has been made by either the management or the unions that the company might seek Government aid, as both Marathon Shipbuilding at Clydebank and Scott-Lithgow at Greenock have done.

Robb Caledon has enough work to keep the Leith yard open but is anxious to maintain the workforce intact so that it is in a strong position to bid for future work.

The company's other yard at Dundee, which employs 1,050 men, is doing slightly better, although it, too, could begin preliminary work on a new order immediately.

Robb Caledon made a pre-tax profit of £230,000 last year, against a loss of £1.6m. for the previous year. In August, 1975, the company received a £2.5m. Government loan to help it recover from losses on contracts for the Post Office.

Ailsa Shipbuilding will lay off 92 workers

AILSA SHIPBUILDING of Troon yesterday announced that 92 of its 700 workforce were to be paid off.

The yard, the largest in Scotland outside the Government's nationalisation proposals, has four ships on its order book. But the last—a ferry for Caledonian MacBrayne—is already under construction on the berth.

Mr. Tom McKenzie, managing director, said there was no firm prospect of more work in the immediate future and the workforce was being cut to its level before expansion three years ago.

Unless substantial orders were forthcoming by the spring, further redundancies would be necessary next summer.

Ailsa, one of Scotland's most successful small yards which last year opened a self-financed covered building berth costing £700,000, recently lost a Kuwaiti order for ten patrol vessels worth more than £100m.

This order would have provided about three years' work for the yard.

Yesterday's issuing of redundancy notices is the first at the yard for 15 years.

But there was also good news yesterday for another of Scotland's shipyards, Campbeltown Shipyard of Argyll is to take on about 30 workers after winning its sixth fishing boat order in the last 12 weeks.

The yard, already employing 120, has a £2.5m. order book providing work to early 1978.

Owned by Lithgow (Holdings) and the largest employers in Campbeltown, the yard was faced with redundancies before this work influx.

The order book comprises two 75 foot seiner-pair trawlers, an 80 foot seiner, two 85 foot seiners and an 85 foot stern trawler. All are for Scottish skippers and trawler companies apart from the stern trawler which was ordered by the Faroes.

The vessels are all of steel construction and are based upon the yard's range of standard designs.

Suit sales rise 10%

BY RHYS DAVID, TEXTILES CORRESPONDENT

SUIT sales this autumn have increased by 10 per cent. in six of the most important consumer markets around the world compared with the same period last year, a survey by the London-based International Wool Secretariat claims.

The secretariat is in the middle of a major campaign costing £4.5m. aimed at stimulating sales of woolmark suits. It claims that pure new wool suits have made significant gains in market share during 1976 against man-made fibre and blend garments.

Decision on Selby likely in New Year

By Max Wilkinson

THE GOVERNMENT is expected to tell the Central Electricity Generating Board early in the New Year to start a steady forward ordering programme of power stations—which the Board says it does not need—beginning with the Drax B project at Selby.

Regardless of the decision, aimed at saving Britain's power engineering industry, redundancy notices are likely to be served on about 2,000 people in two of the supplying companies which are now desperately short of orders.

The decision is one of five major recommendations of the Think Tank Central Policy Review Staff on which intensive consultations will start early in January. An announcement is likely early in February.

However, C. A. Parsons, the Newcastle turbine-generator maker, has already said that 900 men will have to be laid off unless the company gets an early order to complete the Drax B station.

Notices will probably have to be served on these men before the Government announces its decision on Drax, because of the 90 day period required by law. Work has already run short in Parsons's heavy machine shops, where the men are only being kept on in the hope of a new order early in the New Year.

At Babcock and Wilcox's boiler-making factory at Renfrew, 1,200 people are likely to be made redundant in the spring, irrespective of any forward ordering by the CEGB. No announcement has been made, and the company has said consultations with the unions were continuing.

The five main suggestions of the Think Tank were: 1—To bring forward Drax B from 1979-1980 which is the earliest the CEGB says it needs to be ordered; 2—A steady forward ordering commitment involving an extra £900m. of capital equipment up to 1985; 3—Improved export credits for the industry; 4—The ordering of a prototype 1300 MW high speed turbine; 5—The encouraging of mergers in the industry.

The Department of Industry is now broadly convinced that an early ordering programme is necessary to save the industry from collapse. This view is supported by a strong section of the Cabinet including Mr. Anthony Wedgwood Benn, the Energy Secretary, and Mr. Eric Varley, the Industry Secretary.

The Government has yet to decide whether to make immediate aid conditional on mergers between GEC's and Parsons' turbine generator interests and between the boilermaking division of Clarke Chapman and Babcock and Wilcox.

Banks split on deposits fund

BY MICHAEL BLANDEN

A DIFFERENCE of view has emerged among the London banking community over the official proposals to introduce a general deposit protection fund to cover small depositors in banks and other institutions against risk of loss.

The issue arises out of the White Paper published last summer setting out the official proposals for a statutory supervisory arrangement for deposit-taking institutions, including the deposit protection fund.

The leading banking groups have now submitted their comments and reactions to the Bank of England and the Treasury, rather later than the authorities had hoped.

It is now thought that discussions on the detailed implementation of the proposals will be starting fairly early in the New Year.

The White Paper left many of the details of the new regulations to be filled in later. While the general proposals, including the licensing of deposit-taking institutions, have general support, the deposit protection fund has proved a source of contention.

The big clearing banks in particular are concerned that such a fund would involve them in making substantial contributions to protect depositors in other competing organisations, while their own depositors would not receive any real benefit in terms of improved protection.

They would prefer to keep the actual fund contributed to a minimum—a figure of £5m. has been suggested—backed by guarantees provided by the members of the banking community. The Committee of London Clearing Bankers has submitted its own comments.

Separate comments have also been produced by the British Bankers' Association, a much more broadly-based organisation which takes in all the main banking groups. The issue among its members is understood to concern the basis on which any guarantee system would be allocated among the banks.

If quotas were decided in relation to total sterling deposits, this would limit the contribution of the big clearing banks to not much more than a half of the total.

If, however, they were related only to deposits which would actually be insured under the scheme, the proportion carried by the clearers would be much higher, since they account for the great bulk of the small deposits (of up to £10,000) which it is proposed should be covered.

LABOUR NEWS

Government may decide to end wages council

BY CHRISTIAN TYLER, LABOUR STAFF

THE GOVERNMENT may shortly decide, after union pressure, to wind up the wages council which sets statutory minimum pay rates for Britain's 250,000 lorry drivers.

Led by the Transport and General Workers Union, the unions have asked for the council to be abolished, saying they want regional joint negotiating councils instead.

The decision will be for Mr. Albert Booth, Employment Secretary, to make.

The last time the road haulage wages council met to decide wages, in February this year, the union refused to attend, with the curious consequence that it was the employers' side which made a formal claim for the £6-a-week rises then permitted by pay policy. This was to protect lorry drivers who had not already settled locally.

They wrote to the then Employment Secretary, Mr. Michael Foot, asking him not to abolish the wages council until a proper joint industrial council had been created, arguing that regional negotiation could lead to leap-frogging pay demands.

Some movement towards regional union-employer committees has already occurred, particularly since the serious Scottish road haulage strike nearly three years ago, when demands for £1 an hour were conceded and spin-off deals followed in most parts of the country.

For many years, the Midlands region was the pace-setter in lorry drivers' wages under the tight control of Mr. Alan Law, Midlands region drivers' secretary of the TGWU.

The Minister can wind up wages councils under the Employment Protection Act as a way of progressing to independent collective bargaining. Most of the 3m. people covered by wages councils are little organised by trade unions.

But for many years, a large number of lorry drivers have negotiated locally and are paid rates well above the wages council statutory minimum.

East Region trains disrupted again

BY OUR LABOUR STAFF

EASTERN REGION train services to and from King's Cross, London, were seriously disrupted for the second successive day yesterday because of a drivers' dispute.

Only 25 per cent. of scheduled trains ran on the East Coast main-line service to the North East and Scotland. About 75 per cent. of outer suburban trains in the London area were also cancelled, although an hourly service was maintained on most inner suburban lines.

Drivers at King's Cross objected to working Christmas holiday duty rosters, claiming they were given insufficient notice. The dispute was unofficial and some of the 360 men at the depot did report for work.

The 48-hour strike was due to end at midnight and services are expected to be normal to-day. However, some timetables are being modified for the remainder of the week because British Rail expects a reduced passenger demand.

Outlook 'bleak' for Scots primary teachers

BY OUR LABOUR STAFF

SOME 4,000 trained teachers in Scotland are likely to be without work by next summer, according to the Educational Institute of Scotland.

Mr. John Pollock, general secretary, said that while the Government estimated that there would be 750 new jobs for primary teachers next year, all the Institute's findings suggested that there would be none. The outlook for teachers in the primary sector was "particularly bleak."

A survey into the problems of newly-qualified teachers seeking work is being undertaken by Institute. Interim figures that only 299 out of 753 teachers questioned are employed in permanent teaching posts.

Many of the remainder are in temporary teaching posts, working on job creation projects, or have returned to college for further study.

Five seek AUEW seat

Five candidates have accepted nomination for the North East seat on the Amalgamated Union of Engineering Workers executive which will become vacant when Mr. Len Edmondson retires in a year's time. Two are full-time officials — Mr. Harold Robson, Middlesbrough divisional organiser, and Mr. Harold Wilkinson, Sunderland district secretary. The others are Mr. George Bray and Mr. James Murray, both from Newcastle, and Mr. J. Mulgrove from Hull. The first round of the ballot will be in March.

Lotus redundancies

Lotus Cars of Hethel, Norfolk, has made 39 of its 470 staff redundant. The company says that while overseas orders are steady the home market is quiet.

Busmen's holiday

Busmen in Derby are to hold a one-day strike on Saturday, New Year's Day, to protest because they are not allowed to finish work at 10 o'clock on New Year's Eve. The strike was planned by members of the Transport and General Workers Union after permission for the early finishing time was refused by Derby borough council.

Commons question

Mr. Peter Rost, MP for SE Derbyshire, is to ask in the Commons about the threat of short-time working for 4,000 workers in the Stanton and Stavely group of the British Steel Corporation. Unions will also consider an appeal to Mr. Eric Varley, the Industry Secretary.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● HEATING

Extracts more from the fuel

EFFICIENCY of the domestic, *gas-fired central heating boiler* briefly mentioned on this page on December 20 is remarkable. Designed by Stone Platt Fluidfire and winner of a silver-gilt *medal at the fifth International* Invention Exhibition in Geneva recently, it will operate with a gross thermal efficiency of between 80 and 85 per cent.

It is extremely compact and expected to be very competitive when mass-produced due to the vast reduction in heat transfer surface requirement made possible by the fluidised bed heat *transfer process.*

Slim design makes it suitable for wall mounting and it can then be made to exhaust directly through a flue behind the unit.

The CO/CO_2 ratio is less than 0.01 per cent.

Conventional combustion techniques are used but the unit has a shallow fluidised bed to transfer the heat to low-pressure water. Combustion products from a bar burner go straight to the fluid bed heat exchanger at flame temperature. This is possible because the distributor plate of the bed is integral with *the extended surface heat exchanger* and is maintained at a temperature very near that of the boiler exhaust.

This technique has been patented by the company in a *number of countries including* Britain, Japan and the U.S.

Burner ignition is by means of the advanced Honeywell DSI system and a continuous pilot is not required.

Further details from Stone Platt Electrical, Gatwick Road, Crawley, West Sussex RH10 2RN. 0293 27711.

● ELECTRONICS

Chance to compare

LEADING U.S. electronic component distributor now in the process of increasing its impact in the U.K.—Cramer Electronics —*is to hold a series of eight* seminars between January and April next year.

Main point about the meetings is that design engineers and managers in industry will have the opportunity to compare the products of three microprocessor manufacturers that Cramer represents — Motorola, Texas Instruments and, the newest entrant to the U.K. market, Zilog. The idea is that delegates with little or no experience of micros will be able to familiarise themselves with the products' strengths and particular applicability *in various types of* industry.

The seminars will be held in Bath and Leeds (January); Cambridge and Manchester (February), Hove and Birmingham *(March) and Edinburgh and* London (April). Cost for the day's attendance is £16. More from 16, Uxbridge Road, Ealing, London W5 2BP (01-579 3001).

● PRINTING

Processes copy fast and simply

A NEW company called Miles 33 has been formed to exploit what its proprietors see as a gap in the electronic typesetting market—a system designed solely for the commercial printer.

Package offered will drive a number of currently available photo-typesetters including the AM 747, Photo Pacesetter, Linotype VIP, Photon 713, Phototronic and MGD Metroset.

It is based on the Nova 3 minicomputer (Data General) with 64,000 characters of storage and in the basic version (costing £85,000) includes 10m. characters of disc storage of which half is on exchangeable cartridges and could, for example, represent the text of six full length novels. Also supplied is a GE Terminet 120 200 line/minute printer, paper tape reader and punch, control console, two *VDUs, and all the necessary software.*

Existing paper tape representing text can be read in on various codes (ASCII, ISO etc.) when it is automatically converted to a uniform standard with all unnecessary codes stripped away. The on-line video terminals are used for direct data entry, and OCR input is possible.

Keyboard operation is claimed to be particularly simple, reducing re-training and minimising errors and spoilage. Complex justification and hyphenation with variable indents, kerning and tabular setting is performed at high speed. The terminals allow the operator to scroll through the system files and make changes as required. Output can be on or off line to the phototypesetter.

Considerable manipulation of the material is possible using about 100 simple command codes and for tabular setting—which can often ruin the profitability of a job—there is a program which the company says is the most comprehensive available anywhere.

Miles 33 package also provides management reports and effective job control. Procedures are standardised, estimating becomes effective and productivity can be improved.

The company has made its first sale to Page Brothers of Norwich (part of the Harrison Group), and aims to achieve sales of about five systems a year. More from Callaly House, Whitmore Lane, Sunningdale, Berks. (0990 25833).

● POWER

Transforms voltage safely

FOR applications in dangerous and explosive atmospheres is an extended range of flameproof transformers made by Nelson Transformer and Rotary Equipment.

There are units rated up to 4kVA 50/60 Hz suitable for input voltages up to 650 and output voltages down to 12. Each is housed in an explosion-proof enclosure fitted with flame-proof terminal boxes in a variety o connector combinations to sui *all purposes.*

The transformers, which ca be supplied in portable form i necessary, suit such application as inspection lighting, handtool and light plant. They are sui able for low voltage uses in th oil, mining, refining, gas an chemical industries where Britis Standard 4683 applies in respe of Group 2B flammable atm *sphere and temperature Class T* regulations.

Modified units to suit speci applications can be supplie More from Corporation Stre *Works, Colne, Lancashire. (028* 4065).

● METALWORKING

Hollow bar cuts costs

BY CHANGING from forgings and blanks to hollow bar in the production of hollow components for its torque converters and power shift transmissions, Brockhouse Transmissions, of West Bromwich, has achieved a saving in raw materials ranging from 24 to 80 per cent. (average 52 per cent.) and a corresponding reduction in machine cycle time.

The company, a member of the Brockhouse Group, is using the hollow bar as starting stock for 13 components including rings; bearing caps; impeller hubs and gears; clamp, bearing and end plates and outer bearing races.

The hollow bar is supplied by TI Desford Tubes, Kirby Muxloe, Leics. LE9 9BJ (04557 2321), a TI Steel Tube Division company.

The bar is said to have none of the usual disadvantages of forgings—no draft angles, no bore irregularities and no varia*tion in surface condition.*

Because these are eliminated, it is possible to machine with ceramic tools, providing much higher speeds and feeds than is possible with forgings, which have to be machined with HSS tools, since the inconsistent surface conditions would break ceramic tools.

Automated production of valves

MANUFACTURE of stainless steel and carbon steel valve and manifold bodies by Unit Controls, Stockport, has been speeded by the installation of a rotary transfer machine at the company's new factory on the Newby Road Industrial Estate, Hazel Grove. Average production time per body has been reduced from 90 to 15 seconds.

With seven work stations and a loading station, the machine was designed and built to Unit Controls' specifications by W. and H. Eves, of Birmingham. Blank bodies are manually loaded, then drilled and tapped at the work stations to produce finished bodies for a wide range of valves and single and multi-port manifolds intended for the process, petrochemical and off-shore industries.

Valve and manifold bodies can now be held in stock because of the rapid production rate, and valves are only assembled to meet orders. This enables stock values to be reduced and speeds delivery.

More from Unit Controls on 061-430 5207.

Fast check for bar

CRACKS and flaws in bright or black steel bar and tube from 15 to 100 mm in diameter can be detected at test speeds in keeping with to-day's steel mill outputs—up to two metres/sec.—using the Rotomat AC 6043.

Introduced into the U.K. by Wells-Krautkramer, the system uses eddy current flux leakag techniques and has a rotatir probe test head with electron control. An advantage claim over alternative non-destructiv test methods is the small effe of bar or tube material surfa on sensitivity.

Stock is passed axially throug the rotating test head and is su jected to locally induced alte nating magnetisation. Fo rotary scanning probes look f flux leakage fields caused l defects within the material.

Probe signals are electronical compared with pre-programm *standards for depth and leng* and results are shown on oscilloscope or a recorder trac

Flaws are accurately locat and by rectification or by choi of destination, bar or tu makers can ensure best use material and prevent custom rejection. Castle Vale Industri Estate, Minworth, Sutton Col field, West Midlands (021 3 3151).

● PACKAGING

Jerrican to stack on pallets

FOR USE with a wide range of chemicals, foodstuffs and other corrosive and non-corrosive liquids, a 25-litre blow-moulded polyethylene jerrican has been *launched by Plysu Containers,* Woburn Sands, Milton Keynes, Bucks., MK17 8SE (0908 582311).

Three versions are available for stacking 2, 4 and 6-high, and the can has been specially *designed to fit 1000 x 12000* mm ISO pallets. It has a built-in handle, and the filling aperture is sealed with the company's 66 mm closure.

The container can be supplied in a range of colours and screen-printed with customers' designs.

● COMPUTERS

OCR works with many numbers

SOLENT Computer Services has completed the preparation of *some 8m. characters of payroll* information for the Portsmouth Naval Base under conditions of strict security.

The records submitted were on some 25 different types of source document. Eight separate submissions were made, each of which was turned round in four working days.

As it was an OCR project the final accuracy of the operation was approached with some reservations by the naval base, as the majority of the source information was long strings of numerals. However, the entire project was completed on schedule with the desired accuracy, and at economical level.

The project has demonstrated that under experienced supervision OCR can handle not only straight alpha documentation, as is usually supposed, but also complete number data.

Other non-text contracts at present being handled OCR by Solent Computer Services include order processing, parts scheduling and code analysis of customer servicing recall for the motor trade, and numeric amendments to mailing lists.

Solent is at 29 Lombard Street Portsmouth PO1 2HT.

● MATERIALS

Polymer fibre felts

CALLED FYBAGRATE 5400, a range of felts produced entirely from polymer fibres has been developed by Fybagration, Gillroyd Mills, *Wide Lane, Morley,* Leeds LS27 8PY (0532 535838).

Made from acrylic or polyester fibres, the felts are said to be suitable for any application where a pure wool felt would be used, ranging from medical and orthopaedic bandages to gaskets, washers and oil seals. It is supplied up to 2.5 metres wide, in thicknesses ranging from 4 to 15mm.

The felt was originally developed for the saddlery trade, replacing wool felt. Another equine application is as bandages for horses' legs.

The material can have an open or closed format, and the different density types can be laminated to form, for example, sound and vibration absorbing pads.

The material can be washed and dried quickly and easily, and in some applications is waterproof. It can be transfer-printed for decoration, or instructions on components, and can be easily cut by die-knife, guillotine or rotary-blade cutters. It costs about 40 per cent. less than wool felts.

The maker is experimenting with different applications for the material, and its possible use for bad weather clothing is under development. The company is interested in testing the material for commercial and in*dustrial applications.*

NOTICE OF REDEMPTION

To the Holders of

Continental Oil International Finance Corporation

7% Guaranteed Debentures Due 1980 Issued under Indenture dated as of February 1, 1968

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the above-mentioned Indenture, $2,920,000 principal amount of the above described Debentures have been selected for redemption on February 1, 1977, through operation of the Sinking Fund, at the principal amount thereof, together with accrued interest to said date, as follows:

DEBENTURES OF $1,000 EACH

No. 9	1347	2485	3622	4731	5833	7182	8883	10008	11581	13834	14012	15035	15940	16952	18229	19206
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

On February 1, 1977, the Debentures designated above will become due and payable in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. Said Debentures will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the corporate trust office of Morgan Guaranty Trust Company of New York, 15 Broad Street, New York, New York 10015, or (b) at the main office of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt, London or Paris, or the main office of Banca Morgan Vonwiller S.p.A. in Milan or the office of Bank Mees & Hope NV in Amsterdam or the main office of Banque Internationale a Luxembourg S.A. in Luxembourg. Coupons due February 1, 1977 should be detached and collected in the usual manner. Payments at the offices referred to in (b) above will be made by check drawn on a dollar account, or by a transfer to a dollar account maintained by the payee, with a New York City bank.

On and after February 1, 1977 interest shall cease to accrue on the Debentures herein designated for redemption.

CONTINENTAL OIL INTERNATIONAL FINANCE CORPORATION

Dated: December 23, 1976

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

KOMATSU LTD., TOKYO

NOTICE IS HEREBY GIVEN that the Board of Directors at a meeting held on July 30, 1976 resolved to issue bonus shares to shareholders registered on the books of the Company at 3.00 p.m. on September 30, 1976 in the ratio of 15 new shares to every 100 shares held.

Holders of Depositary Receipts may now present Coupon No. 14 to the Depositary in London, or the undermentioned Sub-Depositaries to obtain their entitlement in the ratio of 3 new EDR's for every 20 held. Fractions will be sold and the proceeds paid in cash to shareholders in proportion to their entitlement.

The new shares will be entitled to the dividend accruing from July 1, 1976.

Copies of the Consolidated Semi-Annual Report for the six months ended June 30, 1976 are also available upon application to:

Citibank branches in: Amsterdam, Frankfurt, Paris and Milan, and at:
Citibank (Belgium) S.A.—Brussels
Citibank (Luxembourg) S.A.—Luxembourg
Kredietbank S.A. Luxembourgeoise—Luxembourg

CITIBANK N.A.,
336 Strand, London WC2R 1HB.
Depositary.
December 1976.

SOCIETE EUROPEENNE POUR LE FINANCEMENT DE MATERIEL FERROVIAIRE

EUROFIMA 8¼% 1976/1983 Loan of US $ 30,000,000

Bonds for a nominal amount of US$1,000,000 have been drawn for redemption on December 7, 1976.

The drawn bonds are those included in the range beginning at 24433 up to 25432 inclusive.

The drawn debentures are redeemable coupon No. 2 and following attached, as from February 15, 1977.

Amount unamortised: US$29,000,000 nominal.

Fiscal Agent
KREDIETBANK
S.A. Luxembourgeoise

Luxembourg, December 29, 1976.

RESIDENTIAL PROPERTY

If you wish to buy—sell—rent or have

REAL ESTATE

managed in the

PRINCIPALITY OF MONACO

Write to:

AGEDI

26 bis Bd. Princesse Charlotte, Monte-Carlo
Principality of Monaco
Tel. 50.66.00—Telex 479 417 MC

Documentation sent free on request

LEGAL NOTICES

No. 004088 of 1976

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of B. A. I. LIMITED and in the Matter of The Companies Act 1948

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was on the 5th day of December 1976 presented to the said Court by TRANSCONTINENTAL AIR LIMITED of Building 521 Rooms 5RG-54G London (Heathrow) Airport Cargo Terminal Hounslow Middlesex, and that the said Petition is directed to be heard before *the Court sitting at the Royal Courts of* Justice, Strand, London, W.C.2, on the 17th day of January 1977, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

ARNOLD TICKNER & CO.,
4 Wrights Lane,
London W.8.
Solicitor for the Petitioner.

NOTE.—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named, notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their solicitor (if any), and must be served or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 14th day *of January 1977.*

CONTRACTS AND TENDERS

STEEL RAILS AND SLEEPERS

Actual manufacturers are invited to apply for tender documents for the supply of Steel Rails and Pressed Steel Sleepers required by the Kenya Region of the East African Railways Corporation.

Tendering is limited to manufacturers in member countries of the World Bank and in Switzerland.

Applications should be received by:—

The Overseas
Purchasing Division,
East African Railways Corp.,
4 Millbank,
London SW1P 3JD

on or before 14 January 1977, quoting reference L3A/E ARKEN2WB 6/27116.

PLANT & MACHINERY SALES

Description	Price	Telephone
135 KVA M.A.N. GENERATOR 750 r.p.m.	£9,350	060 684 3000/1 Telex 667186
140 K.W. BRIGHT ANNEALING FURNACE. Complete with four hearths and exothermic generator.	P.O.A.	0902 42541/2/3 Telex 336414
SIX BLOCK NON SLIP VARIABLE SPEED WIRE DRAWING PLANT by Marshall Richards. 22" blocks 800—1000 ft. per min. 25 H.P. per block.	P.O.A.	0902 42541/2/3 Telex 336414
2 STAND ROLLING MILL for flattening wire and rolling narrow strip. Complete with edging rolls and recoiler.	P.O.A.	0902 42541/2/3 Telex 336414
MODERN USED ROLLING MILLS, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillotines, etc.	P.O.A.	0902 42541/2/3 Telex 33641
1970 HERDIECKERHOFF 100 KW double vacuum annealing plant useful charge area 625 mm dia x 2000 mm loading height output 600 lb per 24 hours.	P.O.A.	0902 42541/2/ Telex 33641
1974 FULLY AUTOMATED COLD SAW by Noble & Lund with batch control for cutting non-ferrous bar. Max capacity 5" round and square.	P.O.A.	0902 42541/2/ Telex 33641
1970 CUT-TO-LENGTH LINE max capacity 1000 mm 2 mm x 7 tonne coil fully overhauled and in excellent condition.	P.O.A.	0902 42541/2/ Telex 33641
1965 TREBLE DRAFT GRAVITY WIRE DRAWING machine by Farmer Norton 27"—29"—31" diameter drawblocks.	P.O.A.	0902 42541/2/ Telex 33641
TWO ½-TON CAPACITY AJAX WYATT type 150 kw melting furnaces.	P.O.A.	0902 42541/2/ Telex 33641
CATERPILLAR 14E MOTOR GRADER, complete with new tyres.	£25,500	094-34 45 Telex 511
CATERPILLAR 966 C WHEEL LOADER, with 3½ cu yd buckets and new tyres.	£25,500	Telex 511

WANTED

Description	Price	Telephone
BILLET SHEARING MACHINE Erfurt S.C.P.K. series or equivalent.		Staines 554
MODERN USED ROLLING MILLS, wire rod and tube drawing plant—roll forming machines—slitting—flattening and cut-to-length lines—cold saws—presses—guillotines, etc.		0902 42541/2 Telex 3364

PLANT AND MACHINERY SALES/WANTED APPEARS EVERY MONDAY

For Advertising rates etc. contact:
FRANCIS PHILLIPS, FINANCIAL TIMES, 10, CANNON STREET, EC4P 4BY
TEL. 01-248 8000. EXT. 456

CONTRACTS AND TENDERS

HELLENIC REPUBLIC
MINISTRY OF LABOUR
MANPOWER EMPLOYMENT ORGANIZATION
INVITATION OF INTENTION
(PREQUALIFICATION ANNOUNCEMENT)
FOR FOREIGN CONTRACTORS ONLY

For the construction of four (4) adults vocational traini centres and apprenticeship centres (Kekate and KM) in Greece.

The manpower employment organisation intends to invite seal tenders from contractors from all member-countries of the Int national bank for reconstruction and development (I.B.R.D.) a Switzerland for the construction of four (4) (Kekate and KM) Greece.

The location, the construction area and the estimated cost (Kekate and KM) are as follows:

Location	Construction Area (Sq.m.)	Cost (Drs.)
Aegaleo (Athens)	8,700	95,000,0
Lamia	8,100	90,000,0
Agrinion	6,730	75,000,0
Ioannina	7,750	80,000,0

In order to proceed with the evaluation of foreign building a electro-mechanical contractors, interested parties are invited submit within 15 days from the last publication date to the M power Employment Organisation, Administration (Office 508), *Chalkokondili Street, Athens 102, Greece, the necessary stateme* of intent according to the written instructions obtainable from the above address.

The anticipated construction period for each (Kekate and K is approximately 18-22 months. There will be one bidding for b buildings and electromechanical works and tenders will be accept from prequalified bidders only. Bidding documents will forwarded to prequalified bidders only.

The projects will be implemented in accordance with Greek la The cost of the projects is partially covered by the proceeds of loan between the Hellenic State and the IBRD (Loan Agreem *No. 859GR. 10-8-1972) and ratified* by Legislative Decree No. 1 1972.

The projects will be financed by the public investments p gramme. Statements of intent can be made for one or m (Kekate and KM).

ALCOHOLIC MEDICINE

One for the road to health

BY DAVID FISHLOCK

ONE OF THE small pleasures of writing about science is that four times a year the Medical Council on Alcoholism sends me The Journal of Alcoholism, a highly felicitous marriage of genuine concern for the medical and social consequences of alcoholic excesses with a well-developed sense of *humour* about a pastime that plainly gives mankind much pleasure. Its current issue provides some straight facts about Britain's changing preferences in alcoholic liquor.

Since the second world war the amount of beer drunk in Britain has increased *only* slightly, from 23 to 25 gallons *per person per year.* Demand for wine and spirits has grown much faster. Where only ten years ago we drank a trifling 5½ pints of wine apiece, to-day we manage more than 11 pints a year. Annual demand for whisky, gin, vodka, etc., has tripled since the war, from less than two pints of spirits per person under post-war restrictions to 6.6 pints to-day.

Convivial

The same issue of the journal also offers the accompanying "moral and physical thermometer," drawn up by an 18th century British doctor whose views on the subject of excess alcohol were apparently much sought after about 200 years ago. Dr. John Coakley Lettsom, a Quaker physician of sufficiently original mind to be elected a Fellow of the Royal Society, was a convivial enough chap to inspire James Boswell to write this testimony to him:

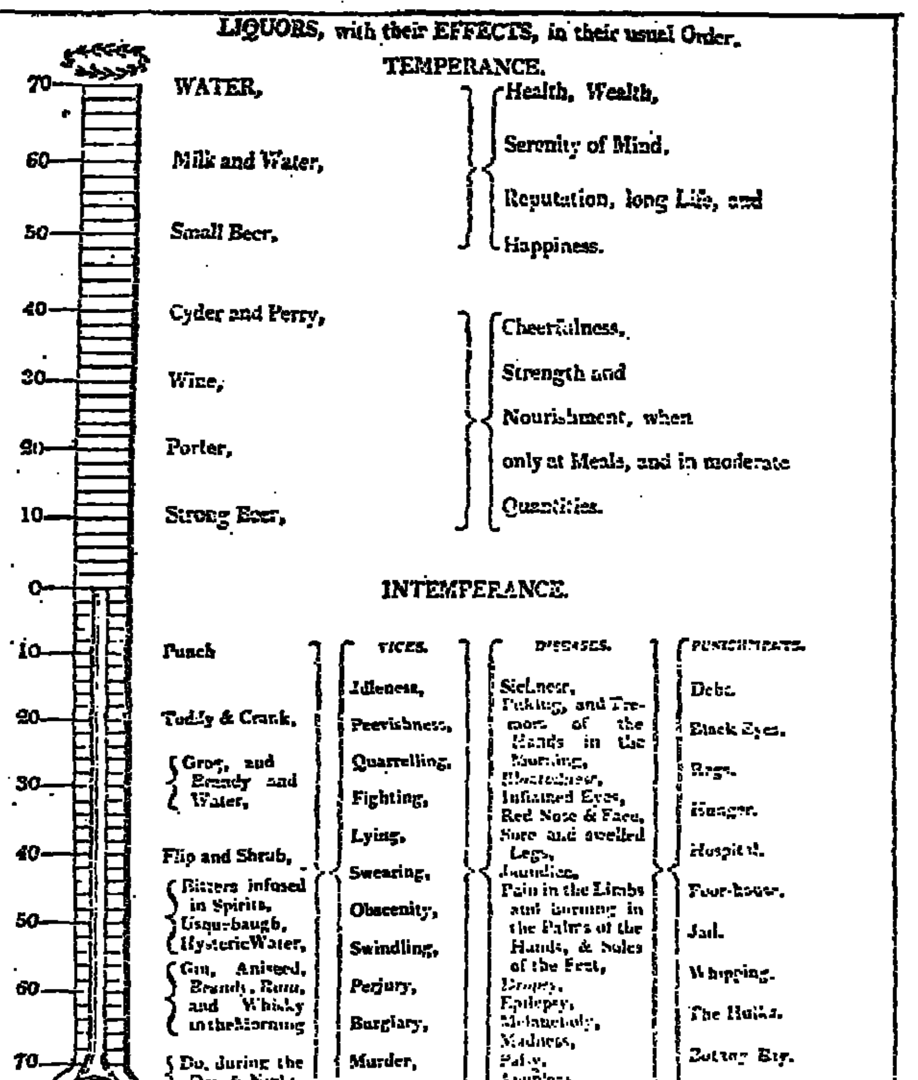
> . . . Methinks you laugh to
> to hear but half
> The name of Dr. Lettsom:
> From him of good—talk,
> liquors, food—
> His guests will always get
> some . . .

But this "thermometer"—a development of the idea of a U.S. Army surgeon-general in 1785—encapsulates with wry irony the origins, symptoms and signs, course, treatment and prognosis of the disease known to-day (though not in Dr. Lettsom's time) as alcoholism.

Dr. Lettsom's "thermometer" should be kept close at hand while *reading a recently* published book that was surely bought in large numbers this *Christmas. Wine is the Best Medicine** is the irresistible title of a popular text by a *French doctor, now translated* into English. The message of Dr. E. A. Maury is that wine in moderation cures *diseases*—almost any disease. It is simply a matter of choosing the right wine for the disease, as one tries to choose a wine to suit the food.

"Since our purpose, perhaps a bit rash but none the less well meant, *is to advocate wine* both as a nutriment and especially as a remedy to support other medical treatments *and* therapies, we will present it in this book as a substance gifted with definite therapeutic qualities," writes Dr. Maury. He slips in a cautionary rider on moderation, but makes it quite clear that he shares with the great French medical scientist Louis Pasteur the opinion that wine "remains the best and healthiest of drinks for the human being."

From this point — the end of the brief introduction—the paths of medical science and Dr. Maury's case begin to diverge. The nub of the good doctor's case seems to lie in *the improbable* (and certainly irrelevant) claim that "wine is rich in all the chemical elements that are found in the analysis of the solar spectrum." No less so is sea water. The right dose—*usually two glasses* taken in association with food — of the right wine can supply the missing *ingredients* associated with no fewer than 69 diseases or conditions, from "abdominal *distension and aerophagia* (causes of belching; etc.) to urinary stones and urticaria (*nettlerash*, a symptom of allergic reaction)."



Lettsom's Moral and Physical Thermometer, or The Scale of the Progress of Temperance and Intemperance.

Appetite

I would not quarrel with his suggestion that half a glass of claret half an hour before meals is "quite capable of awakening" a poor appetite. For those who are well, a more alcoholic aperitif would probably be an advantage, but claret is unlikely to harm and may even help someone who is recovering from illness. Few would quarrel with the idea that one or two glasses of claret at the end of a meal may assist the dyspeptic; or that a glass of claret or burgundy before *and* after meals may help to dispel fatigue.

But I *cannot* take very seriously the author's claims for oenotherapy in the case of more *serious conditions. He has a* deplorable tendency to trick out a dubious case for his choice *with a few lines of pseudo-*scientific mumbo-jumbo ". . . red wine is both anti-microbian and re-mineralising . . . these wines contribute to modifying the *humoral milieu* whose alkaline content encourages . . . they contain potassium which acts on the muscular tone by encouraging both the tonicity and contractility of ocular muscles:" Believe it or not, this last comment accompanies a recommendation to those suffering from "Eyes (diseases of)" to take two glasses of light red claret or burgundy per meal.

Other doctors and scientists too are quoted freely but the author *provides no references* which might help one to decide for oneself the value of such a *remark as "Dr. Nussbaum, after* recent statistical studies, noticed that the countries which *drink the most wine have the* lowest incidence of coronary affections."

Often Dr. Maury's case is based less on any genuine notion that the wine will do good than that his choice will perhaps do less harm than other wines. The prize for a non-committal claim must go to his recommendation for TB sufferers: "Lung specialists, among them Dr. Nustal de Montana, seem to agree that the use of wine is far from being contra-indicated for persons carrying the Koch bacillus." Claret (half a bottle daily divided between the two main meals) or Brut champagne (three or four glasses daily) is the prescription.

Sometimes his case is quite implausible. For stones—gall or urinary—the doctor pre*scribes dry white wines, low in* alcohol, from the Sancerre or Pouilly regions. Why? "... *these wines grow on a soil rich* in silica. This 'stony' element is perfectly adapted to the *patients with organic 'stones'* and it ensures both their dissolution and their expulsion." Ergo, take one or two glasses of claret after meals!

Am I judging too harshly what the publishers claim has already been a "sensational best seller" in France? Perhaps so. After all, few of us would contest the author's advice to the overweight to stick to a daily bottle of dry rosé wine from Provence or a dry white from Sancerre because they are low in sugar and alcohol, even while we are in fact enjoying a more full-bodied libation. But those readers who found Dr. Maury's treatise in their stocking would do well to paste into the flyleaf a clipping of Dr. Lettsom's cautionary "thermometer."

**Wine is the best medicine, by Dr. E. A. Maury, Souvenir Press, 43 Great Russell Street, London WC1B 3PA. £2.25.*

EXECUTIVE HEALTH

Sleep easy

BY DR. DAVID CARRICK

MANY GREAT men have attempted to describe sleep, some poetically and others in scientific terms: but no words can really describe that brief interlude between *one day's* activity and the next, simply because the sleeper can only be *a shut-eye witness to the* blessed oblivion.

Most people would agree that under certain circumstances, usually at night, something stimulates the sleep-centres of the brain and shuts down the great nerve centre, leaving only a caretaker to ensure that the automatic pilot keeps things jogging along. It is true that some physiologists put matters the opposite way round, maintaining that sleep is the normal state *and that full consciousness* is the less *natural* phenomenon —and I must admit that certain folk I know are *living examples* supporting so strange a philosophy.

Frequently the doctor is asked how much sleep is needed. Nobody can answer with certainty, nor ever has been able so to do. An 18th *century physician* wrote that the period "is not easy to fix," adding: "Children require more *sleep than grown persons, the* laborious than the idle, and those who eat and drink freely, *than those who live abstemi*ously. Besides, the real quantity of sleep cannot be measured by *time; as one person* will be more refreshed by five or six hours' sleep, than another by *eight or ten.*"

He used the word "slumber" in an interesting, onomatopoeic manner when he remarked: "Those who lie a-bed more than eight hours may slumber but they can hardly be said to sleep." The answer obviously must be the evasive "sufficient" for the individual and the circumstances.

But when people ask the question, it is usually because they do not sleep enough or fancy they do not. The fear that insufficient sleep is dangerous is worse than the cause and feeds upon itself, thus ensuring a chronic partial or even total insomnia.

Most feverish illnesses cause temporary insomnia, and influenza is a particular sinner in this respect, producing a veritable inversion of the sleep rhythm so that the patient is *more wakeful by night than by* day. But there is usually a psychological and sometimes a physiological basis for the two

. . . the dark melancholy of wakefulness . . .

major types of insomnia—that in which the patient cannot get to sleep, and that in which the patient awakens after a few hours and suffers the dark melancholy of wakefulness when the rest of the world sleeps.

Taking the latter first, the executive who takes work home and toils away until told to go to bed is likely to have problems, particularly if he has eaten late and drunk coffee or tea yet later into the night. What he should do is to take a walk after his *work and, on returning, a warm* milk drink (plenty are advertised) and a light novel (*not a treatise on economics*): this will frequently do the trick.

As for the former trouble, many people who awaken after a few hours, get up and make themselves a cup of tea and go back to bed. Some even manage to sleep, which is a psychological triumph over caffeine. It would be wiser to take a thermos with a hot milk beverage and a dry biscuit (and never mind cleaning your teeth again!) so that on waking, no effort is needed and sleep should be regained.

Obviously some people need *sleeping pills and it is my belief* that these, in moderation, are not so bad as the growing fear *of insomnia.*

Building and Civil Engineering

£4.6m. road in East Anglia

THE EASTERN Road Construction Unit *of the Department of* the Environment has accepted the £4.6m. tender of AR Construc*tion for the A45 Rougham to* Woolpit road in Suffolk.

The work involves construction of about 7.5 km of dual two lane carriageway in flexible pavement, together with 13 structures, side roads and accommodation work, traffic lights and street lighting. About 560,000 cubic metres of excavation and about 500,000 *cubic metres* of fill will be required.

Work is expected to start in February and take two years to complete.

£2¼m. award to Tarmac

WOLVERHAMPTON Metropolitan *Borough Council* has awarded Tarmac Construction £2¼m. contract to build 241 *homes at* Pendeford, near Wolverhampton.

The scheme provides for 153 houses and 88 flats of both traditional and Midland Housing Consortium system construction with roads, site development works *and landscaping.*

There is to be a wide selection of external treatments to the dwellings including brick facings, vertical tile hanging and panels in a variety of finishes. Completion is expected within two years.

U.K. design aid for N. America

FOLLOWING its introduction into the Middle East *through the* setting up of a company in Riyadh, Genesys—the machine-independent *system of design* aids for architects and the civil engineering industry developed *in Britain*—has moved into the North American market.

Contracts have been concluded between Loughborough-based Genesys and *the Department* of Public Works of Canada as well as the City of Calgary *for an initial period of one year.*

DPW, based in Ottawa, is responsible for administering and in *some* cases designing Federal Government building, marine and highway construction projects throughout Canada. It uses computers extensively in *engineering* and, computer-aided design.

Initially, DPW intends to implement the aids through a service bureau but it is felt that the most significant aid Genesys can make to the Department's requirements is on the *engineering software side* where its independence of one or other type *of computer* will be important.

Calgary is planning to use both the Highway/1 and Bridge/1 packages from the repertoire.

Meanwhile, it is expected that the total facility with its large library will be taken up by at least one service *bureau* operating all over North America.

Genesys, Pennine House, 2 Lemyngton Street, Loughborough, Leics. LE11 1XA. 0509 39185.

Research block for Wellcome

THE Wellcome Foundation's new clinical research building officially opened last week at Beckenham, Kent, was built by the Construction *Division* of John E. Wiltshier and Co., under a £384,000 contract.

The three-storey research block provides about 950 square metres of additional accommodation. It is constructed of load-bearing brickwork with reinforced concrete floors and roof and insulated cavity walls.

Wiltshier Engineering Services Division installed the mechanical and plumbing systems, including *trunking and partial air-condi*tioning.

Offices at Tilbury

CONSTRUCTION OF *a three-storey* air-conditioned office block as part of a major con*tainer terminal development* at the Tilbury "Northfleet Hope" site will commence next month, *and is* to be completed by October 1977.

The 3,300 square metre building is for Overseas Containers and Associated *Container Trans*portation (Australia). It will accommodate staff working for Tilbury Container Services, which is to manage operations in the completed terminal.

Costing over £1½m., the office block will be constructed by Lesser Building Systems, using the company's MS System.

The Port of London Authority has been retained as civil engineering consultants for this building on behalf of the two *principals.*

Mechanical services

BRIGHTSIDE HEATING and Engineering Company has been *awarded a contract worth about* £200,000 for mechanical services to a new factory and offices at Warwick for English Rose Kitchens.

The contract includes the design, supply and installation of a steam *boiler* plant fired by wood waste serving radiant strip heating in the production area and low pressure hot water radiator and warm air heating in the office block.

British Rail stations

D. T. BULLOCK and Co. has been awarded a £460,000 contract by British Rail for new station buildings at Five Ways, University, *Selly Oak, Bourneville* and Kings Norton.

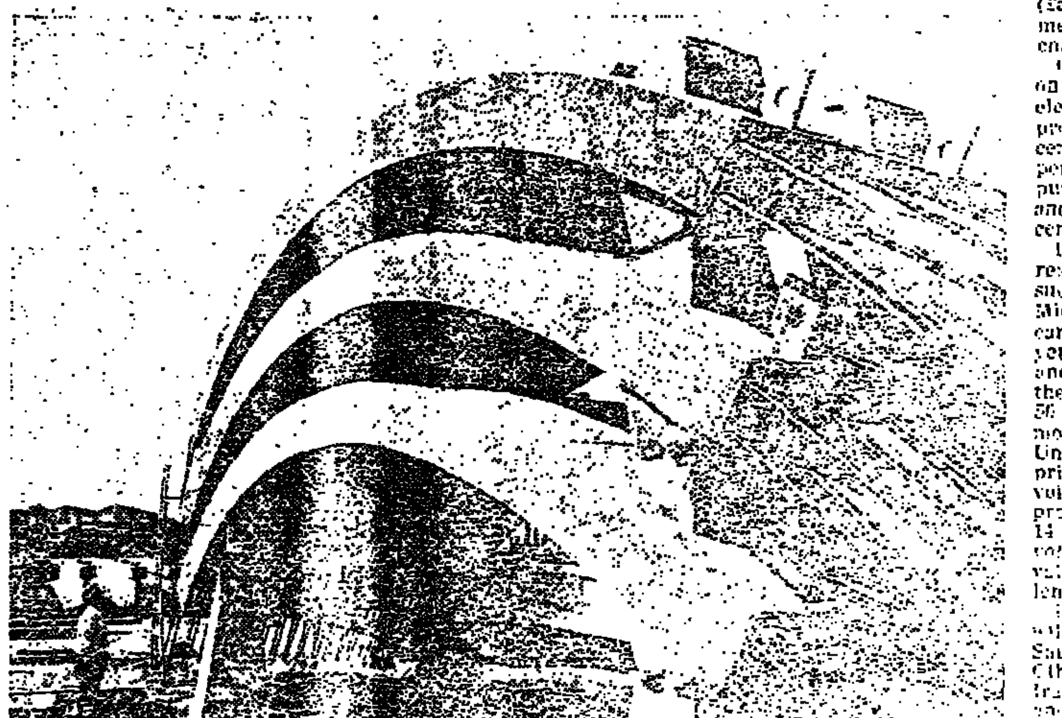
This is part of an improvement scheme *for* the Longbridge-Four Oaks railway line, and is a further stage in a scheme to provide an intensive commuter *service between* Four Oaks and Longbridge through Birmingham.

Bridge over motorway

UNDER a contract worth about £1.7m. Cementation Projects is to construct a bridge to enable the *London - Norwich Railway at* Brentwood, Essex, to pass over the M25 motorway.

The engineer is British Railways Eastern Region which is acting as agent for the Department of Transport. The work will include sheet piling and formation of jacking pits from which precast concrete units are to be *installed.*

Jacking underneath the railway will be by the Tube Headings Division of Cementation Mining. A start has just been made on the 75-week contract.



Anglian Building Products of Lenwade, near *Norwich*, is nearing completion of a large and complicated job on behalf of Howard Doris for an oil platform for the Ninian field. The platform which is costing over £100m. and will weigh over 600,000 tons, is being constructed at Lock Kishorn, on the west *coast of Scotland.* Anglian's part of the contract is worth about £2m. and is for 262 very large concrete units ranging in weight from 23 to 56 tons each. *Some of the units may be seen here.* Over 10,000 tons of concrete and 1,500 tons of reinforcement will have been used when the job is completed. Anglian's works is one of the largest of its type in the U.K. and produces many types of large precast units, such as prestressed bridge beams, building frames, footbridges, subways, cladding, railway sleepers, and other items all constructed to specific requirements.

Alterations to flats and houses

CONTRACTS WORTH nearly £1.8m. have been placed with Wates Special Works by the London boroughs of Camden and Lewisham for the conversion and improvement of houses and flats owned by the two authorities.

The *larger* contract has been placed by Camden, on a competitive tender basis and is for over £1.1m. It covers alterations to flat layouts, minor reconstruction, new services, doors and decoration, the installation of microbore central heating plus external works and common area improvements on the Lissenden *Estate, N.W.5.*

In Lewisham, 37 houses will be converted into 60 modern homes *at a cost of £582,000.* Work will include damp proofing, general repairs and structural alterations, installation of new services and redecoration.

Submersible drainage pump

LATEST IN the Hysub range is a submersible drainage pump for civil engineering and industrial applications capable of handling dirty water carrying suspended solids.

The 4-inch pump is hydrostatically driven and powered by a *diesel/hydraulic power pack.* It is capable of pumping liquids located more than 30 feet below the power unit.

Available in three versions—low head/high capacity; medium head/medium capacity; and high head/low capacity—the pump can be supplied with various impellers to meet particular site or pumping requirements. Maximum head is 50 metres and maximum capacity is 2,600 litres/min.

The pump does not require priming, has no packing glands, and is able to *run dry in*definitely. The complete pump-set—engine, fuel tank, power pack and pump—is available as a trailer mounted package for fast mobility.

It is made by M. and H. Pumps, Thurcroft, Sheffield S66 9JG (070984 4103).

Investment in refining

MIDDLE EAST and North African countries will invest £43.7bn. in the five years to 1980 on oil refineries, petrochemical and fertiliser plants and gas facilities, according to a study by Frost and Sullivan.

To build such a petrochemical infrastructure, the 19 countries concerned will spend in foreign currency £33.6bn. on equipment and £6.7bn on services.

Almost half of the investment in equipment will go on vessels (£5.6bn.), piping (£4bn.), instrumentation (£3.7bn.) and heat exchangers (£3.4bn.).

Other major spending will be on storage tanks (7 per cent.), electrical equipment and solids processing (both at 6.5 per cent.), furnaces and boilers (6 per cent.), drivers (5.5 per cent.) pumps (4.5 per cent.) and valves *and compressors (both at 4 per cent.)*.

Industrialised countries will reap the *initial* harvest from such expenditure. Generally, Middle Eastern and North African operating companies are not yet staffed to execute the design and manufacture of equipment themselves. So the *analysis of 56 contractors which have won* most business so far shows that United States companies comprise 28 per cent. of those involved and have 55 per cent. of project values. Germany, with 14 per cent of companies in*volved and 14 per cent. of project* values, leads the European challenge.

Iran's investments of £10.5bn. will be higher than those of Saudi Arabia the study finds. Other important investors are Iraq with £4.6bn., Algeria and Libya each with £2.8bn., UAE with £1.9bn., Egypt with £1.6bn. and Morocco, Tunisia, Syria and Qatar all in the £700m. range.

Collectively, their spending is some two and a half times more than the petrochemical-related investments of both North *America and of West Europe.* One result of such expenditure is the Middle East and North African oil-refining, 6 per cent. of world capacity in 1973, will reach 18 per cent. by 1980 when it will earn £1.5bn from the export of finished and refined products instead of crude oil.

By 1980 current investment *will result in some 44 oil re*fineries, now producing 166m. tons a year of refined oil products, to increase to 74 plants which will generate 353m. tons a year. Iran will lead with 125m. tons and will be followed by Saudi Arabia with 94m. tons.

Primarily nitrogen-based and with a current capacity of 5m. *tons a year from 18 plants* fertiliser plant output will triple to 15m. tons a year from 29 plants and with phosphate-based facilities registering a 17-fold gain. Iraq, with 7.5m. tons a year, will become the biggest fertiliser producer, followed by Iran with 5m. tons.

Iran's yearly tonnage in petrochemicals and plastics, *will in*crease from to-day's 1.1m. to 6.8m. Saudi Arabia, starting *from scratch*, will produce 5.6m. tons. Algeria, Libya, Egypt and Kuwait will exceed 1m. tons.

BAS Industrial Consultants, Mile, Ash, Radlett, Herts. WD7 7YT. Radlett 6176.

Concrete parting liquids

TWO PARTING compounds for the release of precast and prestressed concrete products from their forms are being marketed in the U.K. by Swift Chemical Company, Stoelthorne Lane, Ashford, Middlesex, TW15 1UL (Ashford 53531).

Smooth, wax-like, almost stain-free surfaces are produced, says the company. Scaling and rubbing are eliminated, and the minimal build-up on forms allows additional pours to be completed, reduces cleaning and extends the life of wood and metal moulds.

Both agents are mixed and [illegible] per cent water soluble, so they are not washed off by rain or leaving [illegible].

One of the compounds is for precast items such as pipes and panels and the other is for prestressed products.

IN BRIEF

○ H. H. Robertson (U.K.) has won a contract worth more than £100,000 to supply platform flooring for the London headquarters of Coutts and Co. in the Strand, London, which is undergoing a major development and preser*vation scheme.*

○ Comfort Systems, part of the Babcock and Wilcox Group, has been awarded a contract worth nearly £320,000 for mechanical services and plumbing in 341 homes being built by John Laing Construction at Neath Hill, Milton Keynes.

○ HGS, part of the Humphreys *and Glasgow Group*, has won a £230,000 contract for the installation of mechanical services at *county police headquarters*, Nettleham, Lincoln.

○ Oscar Faber and Partners, international engineering consultants, have opened an office in Cairo.

○ KINGSTON Craftsmen, the Hull-based joinery manufacturer, has been selected by the London Housing Consortium (*West Group*) *to supply internal timber* staircases to the 21 boroughs in the London Housing Consortium.

○ A contract worth about £250,000 has been awarded to Biggs Wall and Co. by the Rickmansworth and Uxbridge Valley Water Company for a two-year period of mains laying.

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Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920

WEDNESDAY, DECEMBER 29, 1976

Living with the pause

THE LATEST ISSUE of the OECD's twice-yearly Economic Outlook, published just before Christmas, is at pains to put matters into perspective. There had been a number of leaks before it appeared, to the effect that the Organisation's economic growth forecasts for 1977, as well as the record for the second half of 1976, had been revised downwards. These are now confirmed. The July issue of the Outlook, for example, forecast that the aggregate GNP of the seven major OECD countries would be expanding at an annual rate of 4.75 per cent. this winter. The actual rate has turned out to be only 3.5 per cent.—a substantial shortfall. But, says the December issue, this is a pause in the recovery and not a recession. Aggregate GNP is still expected to grow next year by nearly 4 per cent. and, besides, the governments of the stronger countries have already made clear their intentions to take stimulative measures, should the recovery seem in doubt.

Mr. Carter

The is considerable justification for this view, the more so if one takes into account the political factors that the OECD is not allowed to mention, at least in public. For the most striking fact in this context in the past year or so has been the way in which the strong economies have continued to do relatively well and the weak economies relatively badly. The strong economies are those of the U.S., West Germany and Japan. Their balance of payments positions range from the satisfactory to that of embarrassing surplus. Their rate of inflation is low by recent OECD standards and they all, especially West Germany, have an unemployment problem which could be sufficient in itself to justify some mild economic stimulus. What is more, all three countries have, or are about to have, new governments, presumably anxious to prove their economic credentials.

It is the American case that matters most and to which attention naturally turns. This is not only because of the sheer size of the American economy, but also becaus eso much about the views and preferences of the President-elect, Mr. Carter, is still unknown. Mr. Fukuda, the new Prime Minister of Japan, has already called for another economic summit meeting on the lines of those previously held at Rambouillet and in Puerto Rico, as indeed had President Giscard d'Estaing of France before him, and it is to be assumed that such a meeting will take place. It would be a mistake, however, if it were to do so without proper preparation. There is nothing in the OECD Outlook, nor from any other source, to suggest that collective economic action has become urgent. There is rather a framework for cooperation which could allow the action to be taken when it becomes necessary.

Responsibility

The new and old leaders of the industrialised democracies thus have a few months in hand in which to get to know each other—at bilateral meetings rather than a premature collective summit—and it is to be hoped that this is the course that will be followed. Yet the background should be borne in mind. It is the U.S., Japan and West Germany that are economically strong and are in a position to administer an economic stimulus without provoking new inflation. With this position goes a certain responsibility. The three most successful countries have become the guardians of economic order. They could make best use of this by acting together not only to help themselves and the weaker OECD countries but also the third world. There is a chance, in short, for economic leadership and co-ordination of a kind that has not been known for some time past. The present pause in the economic recovery will be well worthwhile, if that chance is taken.

Financial sanity on the horizon

THE ANNOUNCEMENT made just before Christmas that a financial target has been agreed for the telecommunications business of the Post Office is welcome for several different reasons. In the first and most important place, it marks a return from the arbitrary restrictions imposed in the cause of price control and the subsequent, equally disruptive, part-removal of restrictions to the system of financial objectives worked out over a long period of years by the Treasury to reconcile the need for imposing some overall financial discipline on the nationalised industries with the need to free them as far as possible from detailed interference in their commercial decisions.

The damage done to the nationalised industries by the suspension of this system was only partly mitigated by Government agreement to pay them subsidies designed to make up to some extent for the loss of revenue and avoid the loss of morale and discipline bound to result from a period of loss-making unrelated to actual commercial performance. The maintenance of artificially low prices tended to stimulate demand excessively, the subsequent sharp rise in prices to depress it excessively. Both made it exceedingly difficult to settle on the right rate of capital investment a matter of major national importance in view of the size of the public sector investment programmes.

Profits jump

The Post Office in its present form is an amalgam of diverse activities, the future organisation of which is at present being considered by the Carter Committee. From the point of view of growth, profitability and investment, however, there is a clear distinction between the labour-intensive mail side and the capital-intensive, rapidly growing telecommunications side—a distinction recognised when financial targets were last operative by requiring the former to make a small minimum return on turnover and the latter a sizeable return on capital. Since the sharp increase in telephone charges last year, this telecommunications side has moved sharply out of loss into a profit which is expected to rise in the current year from £155m. to around £370m.

The size of this profit has caused some grumbling among consumers and has caused the Post Office first to promise some price cuts in the New Year and second to hold out hopes that the freeze on ordinary charges will be extended to the spring of 1978. This, it is expected will lead to a rapid rate of growth in demand and make a high level of profit necessary if the Post Office is to attain its self-financing ratio aim of 75 per cent. The imposition of a financial target will give the Post Office the further ammunition it may need to meet critics of a profitability level which is both natural and desirable in so fast-growing an industry. The restoration of the old system throughout the nationalised sector (only British Steel and British Airways already hit targets) should be an early aim of policy.

Sandilands

Two other aspects of the announcement, one actual and one possible, are also to be welcomed. Several of the nationalised industries made provision of some sort in their accounts even in pre-Sandilands days for supplementary depreciation. The Post Office financial target, however, is now expressed (as an average over a three-year period to leave time for adjustment) as profit net of depreciation at replacement cost on net assets valued at replacement cost: this will presumably now become the general pattern. The setting of this target and the return to an arm's-length position, moreover, will lend encouragement to the campaign which the chairmen of the nationalised industries already have it in mind to launch, to demand more freedom in picking the terms on which they raise outside capital to finance investment. Why should they, in fact, be required to borrow long at a time when interest rates are historically high?

ROLE FOR BRITAIN ● BY BRIDGET BLOOM

A last chance to agree on Rhodesia

MR. IVOR RICHARD, chairman of the conference on Rhodesia, leaves to-day for Lusaka on the first leg of what the Rhodesian Foreign Minister has disparagingly called "this new African shuttle service." Mr Richard, an ebullient man who in the past two years has been Britain's Ambassador to the UN, faces a daunting task.

In a little over two weeks he expects to meet four African Presidents, the Prime Ministers of South Africa and Rhodesia, and at least four African nationalist leaders. He must go to at least five countries, and probably visit some of them twice if he is to have any hope of achieving an embryo Rhodesian settlement package which can then be fleshed out and tied up in Geneva where the conference is to resume on January 17.

Mr. Richard seems to be trying to do in two weeks in Africa what he failed to achieve in two months in Geneva. On the face of it, he has little chance of success. True, the seven weeks of apparently fruitless discussions which culminated in the adjournment on December 14 were by no means a complete failure: Mr. Richard can claim that the conference, despite mutual hostilities, kept going and allowed an expression of detailed views on the subject in hand—the formation of an interim Government. However, the real issues, such as who will control the army in an interim Government, have barely been broached.

But though British ministers will not admit it publicly, Geneva has forced Britain to accept that it must play an active though as yet undefined role both to keep the conference going and in any interim Government—and that without such a commitment there will be no settlement.

Painful though it was to reach, that conclusion by no means guarantees that Geneva will succeed. This part of the story is not without irony: in the early stages of the Kissinger initiative in southern Africa, the position papers of the U.S. Secretary of State apparently envisaged a British Governor General in Rhodesia with wide "decolonising" powers. This was a suggestion by British officials. As the initiative progressed, and both ministerial and back-bench opposition to any sort of British involvement became vocal, Whitehall was instructed to rephrase the proposals—and came up with the most controversial element of the so-called Kissinger plan, the Council of State rejected by the Africans because it would detract from a black Prime Minister's power. The latest turn-round—as announced by Mr. Anthony Crosland, the Foreign Secretary—could certainly involve a Governor General with wide (though as yet undefined) powers. It resulted both from the realisation that without Britain there would be no settlement, and from much backstairs politicking. If London now sees that the main chance of a peaceful settlement lies in Britain holding the ring between distrustful Rhodesians, black and white, Mr. Richard's task is to discover whether the others think so too.

The Geneva conference was convened by sleight of Dr. Kissinger's hand: having got Mr. Ian Smith to accept, on September 24, a five-point programme which would produce majority rule within two years, the outgoing U.S. Secretary both inveigled Britain into calling and chairing the conference and the nationalists (to whom he had "talked" only through the intermediaries of the African front-line Presidents) into attending. If it were not clear before, Geneva rapidly showed that the nationalists, now directly represented, were not prepared to accept the Kissinger plan, on the fundamental grounds that it would allow the white Rhodesian Government to control the transition. For their part, throughout those long Geneva weeks, Mr. Smith and his Ministers adamantly refused to accept anything else. Discussion of the independence date was irrelevant in this context: the two sides are still apparently as irreconcilable on the central issues as they were when they arrived in Geneva.

Confrontation at Geneva: the conference meets.

So what room for manouvre does Mr. Richard have? His task (as self-defined) is to "assure the nationalists of the irreversibility of the majority rule process, and the whites that the transfer will be orderly and that they will have a role in an independent country." It is clear that his only hope of doing so is by bringing in Britain as ringmaster, albeit "neutral and uncommitted." It is equally clear that the key area will be defence and law and order. What will be vital, in particular is who shall control the army and the police from the starting point of a ceasefire in the guerilla war to the creation of defence forces for Zimbabwe, the new State.

Mr. Richard is travelling with a number of different proposals rather than one singe plan in his briefcase. As he indicated at a Press conference in Washington just before Christmas, following talks with Dr. Kissinger and the new U.S. Secretary, Mr. Cyrus Vance, there are at least four possibilities. All start from the premiss that there will be something like a British Governor-General (whatever he is actually called); and all assume that there will be no British troops. (The possibility of British officers, or other military personnel from Britain or Commonwealth countries [with both command and training functions] is however not ruled out.) The current suggestions range from direct control of defence and law and order by the Governor-General, working through the interim Government but with a British commander(s) of the armed forces and police, to a security committee composed of black and white Rhodesians with a neutral chairman; to some form of continuing white control, though not exerted by Mr. Smith's Rhodesian Front.

The key point at this stage is whether there is the political will on either the nationalist or the white Rhodesian side to allow Britain to assume a more active role. As things stand, Mr. Richard seems to have a better chance of persuading the nationalists to bury their differences and accept a compromise solution involving Britain. White Rhodesia's rejection so far of anything but the Kissinger plan is likely to prove much more intractable.

Before the Geneva conference adjourned, the four nationalist delegations presented blueprints for an interim Government. The toughest came from the two delegations which jointly form the Patriotic Front led by Mr. Joshua Nkomo and Mr. Robert Mugabe. They start from the premiss that the guerillas (whom they have best claim to control) will soon bring victory. They expect a transitional Government in which blacks will have a 4:1 majority over white, and control all key ministries, including defence and police.

Ironically, the Front was a key factor in the British decision to accept a role in an interim Government. It sees the British presence (termed a Resident Commissioner), as essentially a rubber stamp for the decisions of the interim Government. Its public position on the armed forces is that the present white controlled army should be disbanded, and the guerillas put in their place—a clear non-starter, as some members of the Patriotic Front themselves recognise.

The positions of the other two delegations are more ambiguous, appearing to leave both more room for a British Governor General with power, and for greater Rhodesian Front representation. But neither would give controlling political or military power to whites.

Mr. Smith and his ministers have repeatedly referred to the Kissinger plan as a contract. In their eyes the purpose of the Geneva conference is to implement it by appointing a Council of State, which has a white chairman, and which in turn appoints the Council of Ministers. In that body, though it would have a black Prime Minister, the portfolios of defence and police would be expressly reserved for whites. Mr. Smith has not varied from this position since the conference adjourned.

What then are the elements making for compromise? On the black side, they are principally that all the leaders currently heading the nationalist delegations stand to gain more by settling now than in several months, let alone a year or two. There has been endless speculation as to which nationalist leader would command most popular support, were there to be elections. Bishop Muzorewa, who headed the organisation that galvanised the resounding African "no" to the Douglas Home settlement proposals of 1971, is widely believed to have the greatest following—which is one reason why he has proposed immediate elections to determine who should be the first black Prime Minister. Mr. Nkomo attracts far less support when he returns to Salisbury, though he does well in his home town of Bulawayo. But both Mr. Mugabe (whose bid for the guerilla leadership may or may not succeed), and the Rev. Sithole who, like Mr. Nkomo, is a veteran of the nationalist movement, are untested within Rhodesia since both would face arrest if they set foot there at present.

The claims of each of the current leaders would no doubt probably be tested at the polls if Britain held the ring during an interim Government, and the unity so far achieved in opposition to the whites could then well disintegrate, possibly in violence. But the immediate question now is the attitude of the guerilla leaders. The war has produced the present attempt at negotiation; they will not be content to remain backstage for much longer. If the current leadership fails to settle, new men, from within the guerilla ranks, will probably preside over an independent Zimbabwe.

What of Mr. Smith? Rationally, a similar argument should apply. To virtually everyone outside Rhodesia if not inside, it is clear that the days of white minority rule are numbered; that there will be no Western support to bolster it; and that in the face of the increasing militancy of the nationalists, there is no hope of the "moderate" alternative, involving, for example, the African chiefs, of which Mr. Smith is so fond of talking. This, in essence, is the message delivered to Mr. Smith by Dr. Kissinger. It is the reason for his acceptance of the Kissinger plan.

The stark issue now is whether Mr. Smith, his ministers and his electorate are prepared to hand effective power to the nationalists even if a part in that process is played by Britain.

Whichever version one believes, that is not what the Kissinger plan envisaged, and Mr. Smith is understandably upset. But it is the reality. A British presence would introduce a vital new element into the equation. Even if Mr. Smith knew better, the Kissinger plan was presented to the rank and file of the Rhodesia Front as making it possible, should the two-tier structure provided for the interim Government not work, for the white Government to reassume control, thus preventing independence under a black majority. If Britain steps in, progress to majority rule will be inexorable.

Mr. Smith takes his seat at Geneva.

It may have been this—or may have been the long-felt hostility in Rhodesia to "pusillanimous" Governments—which made Mr. Smith declare that a British presence, other than diplomatic, was a "ghastly thought." Whatever the reason, Mr. Richard alone will not be able to persuade white Rhodesians that the Kissinger plan is dead, and that if there is to be a settlement, real power in the interim Government will be taken from them.

So the key to what white Rhodesia does once more lies in Pretoria and Washington. While both would profoundly prefer a peaceful setlement, nobody knows whether either, at this particular juncture, can exert pressure as effectively as before. For his part, Mr. Vorster, the South African Prime Minister, believing that Mr. Smith had accepted all that was required of him, has eased the pressure on Rhodesia's trade and arms lifelines. He may be less willing now that much more is being asked and his own domestic problems grow no easier, to tighten the screw again.

As for Washington — Mr. Richard, despite his apparently cordial talks with Dr. Kissinger and Mr. Vance, must be wishing that his African visit did not coincide with the last three weeks of a lame-duck Administration. Mr. Jimmy Carter's Government is ultimately likely to be tougher on the issues raised by white minority rule in Southern Africa than President Ford's has been. But for the time being, the evidence suggests that the new Administration would prefer to keep a low profile on Rhodesia. Yet it seems unlikely that without Washington's aid, Mr. Richard or even Mr. Callaghan, will be able to produce results. If there is to be a settlement soon, what Dr. Kissinger began, Mr. Vance or even President Carter, may well have to finish.

MEN AND MATTERS

And a happy 1967 to you

This Christmas and New Year, the number of days holiday seems to be overwhelming. Newspapers, of course, follow the national trend: doing some of the intricate calculations for which Men and Matters is justly famed, I have realised that between December 24 and January 4 the FT will have been due to appear on five out of ten mornings which at any other time would all be ripe for publication. And Men and Matters will have surfaced on only three out of those five days.

This column, then, is here to-day and to-morrow and not again until next Tuesday. Tricky, therefore, picking a day to be seasonally self-indulgent; I have decided to delay bringing you up to date on subjects like the middle-class oyster (patience!) and to spend a few words on a look back.

One striking thing about the closing months of 1976 was the number of people and companies who, detecting my penchant for the historical, were eager to talk about days gone by, the unpleasant nature of the present seeming to add a new dimension of interest to the study of the past.

Joining in that game on a modest scale, I have gone back just ten years to see what was taking the fancy of the diarist of that day. Drawing parallels with the present is an almost inevitable temptation, and I was somewhat relieved to note that the news items at the end of 1966 seemed to be almost entirely about a different world.

"I'm still on my mini-budget hangover—I haven't started on my Christmas one yet!"

Who wooed

About the only bell which rang vigorously came in an article about a certain American called William Douglass, who was holed up in London's Carlton Tower Hotel to the chagrin of some. William who? Not a name that springs to the memory, but that gentleman was at the centre of the "brain drain" stories then going the rounds. Douglass had taken several rooms in the hotel in order to hold interviews with disgruntled U.K. science graduates in an effort to woo them to big-paying jobs across the Atlantic.

That whole business has had an echo recently, with companies complaining that the combination of long-term pay restraint and high taxation is tending to drive managers abroad, and make it difficult for companies to attract their own people back home from foreign postings. The last Men and Matters before Christmas 1976 chronicled the departure to U.S. companies of four leading British executives from different spheres.

But back to the rosier views of 1966: Remember Roy Bates? He was one of the radio "pirates," and an entrepreneurial figure who had sunk much of his own money into his venture. Now the air waves are crowded with independent stations featuring phone-ins, traffic reports and all the paraphernalia which has been common in America for years and which is catching on here, too.

The late Lord Beaverbrook used to caution his journalists, very sensibly, against predicting "unless you know." In the closing days of 1966, Men and Matters reckoned that year might be remembered as the one when "knocking copy" in advertising really got started. The phenomenon has shown little sign of growth, in fact. A pity. I have always longed to know the identity of Brand X. Knocking ads have done well in the States; campaigns here get more jokey, but seem to have advanced precious little in any other way.

Before leaving the flickering embers of 1966, I doff my hat to the columnist of that day who had the bright idea of showing some of his corporate Christmas cards to one Barbara Williams, a motivational research expert. One conclusion I enjoyed was that a long, thin and white card from a tobacco company was indeed "a hidden stimulus to go out and buy a cigarette."

I would not have troubled the likes of Miss Williams with my Christmas card batch this year. Stimulus and the seasonal message were notably lacking from most of them; many of the kind senders I had never heard of; and those I recognised had not been written about during 1976. Perhaps the world loves me for myself after all.

Highly coloured

Enough nostalgia. In 1976, this column tried again to avoid what everyone else was concentrating on; though Ken Mahood's cartoons, naturally, were aimed generally at the issues of the day. A tough year, sweetened a trifle, I hope, by jokes like this: two tins of paint got married, and after a while one beamed and announced "Darling, I think I'm pigment!"

Observer

هكذا من الاصل

£ 1864 =$12

The inexorable fall of sterling

1976 £·60=$

BY COLIN MILLHAM

THE PURPOSE of this debate is to discover whether there is a chance left, however small, to save sterling from a collapse." It might be quite reasonable to suppose that that was said in Parliament quite recently. In fact it is part of a speech made by Lord Eccles (then Mr. David Eccles) in the House of Commons almost exactly 27 years ago.

The decline of sterling against the U.S. dollar did not begin in recent months or even recent years. It began shortly after a time when the very existence of the U.S. was in doubt, in 1864, when civil war raged across America. The pound then stood at its highest ever level of $12.

During colonial times and after the War of Independence the rate of exchange had generally been about $4.50 to $5 to the pound. After the civil war sterling fell to just under $7 by 1870 and to a little under $5 by 1880. Around that time the value of $4.86⅔ was established, which was to become most traditional for a long time.

The decline to that rate was as much a reflection of the fast growth of the U.S. economy as it was an indication that Britain was in the throes of a depression which extended from 1873 to 1896. In 1870 Britain was at the height of its wealth, power and prestige, though that was of little consolation to an industrial worker drawing 8s a week. By 1884 however Lord Randolph Churchill was moved to say: "You find foreign iron, foreign wool, foreign silk and cotton pouring into the country, flooding you, drowning you, sinking you, swamping you; your labour market is congested; wages have sunk below the level of life; the misery in our large towns is too frightful to contemplate."

While other countries sought protection behind a growing of tariff barriers, Britain remained true to free trade until she was engulfed in the First World War. Although in the closing years of the 19th century the pound was at its most dominant over other currencies in general, Britain's industrial power was already on the wane.

From 1870 until 1914 the British growth rate was slower than that of the country's main competitors, while the Germans were helped by locking onto a parity with gold which helped their competitiveness at British expense.

British wages and profits were low. Money went overseas in search of better returns while trade unionism grew in response to proposals to cut wages, following a general fall in the price of subsistance foods. This was brought about by the revolution in retailing, and a depression in British agriculture following the opening up of the American prairies.

The pound remained at a level of $4.86 21/32 throughout the early years of this century and the financial stability of the period can be gauged from the fact that the average Bank Rate between 1867 and 1910 was 3¼ per cent. A. H. Gibson, in his book on Bank Rate published in 1912 wrote: "In reality it can neither be said that the Bank Rate governs the market rate or the market rate governs the Bank Rate. Both in the view of the writer are but agents of a primary cause, the conditions of life, and if so the average Bank Rate 100 years hence will be practically the same as the average for the last 30 or 40 years provided natural forces are allowed free action."

In the days before the outbreak of the First World War queues appeared outside the Bank of England as the public sought to change into gold their bank notes. (Only £5 notes and above had been issued at the time.) In the financial crisis which accompanied the beginning of hostilities the Government sought to solve the problem by the issue of £1 and 10s notes which were still officially convertible into gold. No statutory limit was fixed to the issue of currency notes, nor were any conditions laid down as to the cash reserves or other assets to be held against them. Thus the Government was given practically limitless power to print money and in so doing help to finance the war. To all intents and purposes Britain was off the gold standard for the first time since May 1821.

During the war the exchange rate was fixed at $4.76 7/16 and about £420m. support was given to the pound until March, 1919. In the aftermath of the war the export of gold from Britain was banned under the Gold and Silver (Export Control) Act of 1920 and the pound was floated from then until 1925. During this period foreign exchange rates moved dramatically, with sterling, the French franc and the German Mark swinging wildly against each other and the dollar. The Mark collapsed to over 19m. million to the pound, and in 1920 sterling fell to $3.40 in terms of the dollar.

The world was forced to come to terms with the emerging power of the U.S., but perhaps in Britain more than anywhere else the realisation that there had been a major shift of financial power to the other side of the Atlantic was most difficult to accept. It was felt at the time that a return to the pre-war gold standard would bring a new stability to the financial scene and would restore London to its rightful place as the world's major financial centre.

Loans

In his Budget speech of April, 1925, Mr. Winston Churchill, Chancellor of the Exchequer, announced that Britain was to return to the gold standard at the traditional exchange rate of $4.86⅔. The resulting overvaluation of sterling caused all manner of problems, leaving British exports at a severe disadvantage and putting further pressure on the level of employment in the country. Unemployment of over 1m. remained a burden until after the outbreak of the Second World War, having reached a peak of 2.8m. in 1932. By that time the world was in the middle of a major financial crisis and sterling had been forced off the gold standard again.

Following the Wall Street crash of 1929 there was a general crisis of banking confidence and in 1931 the collapse of two major European banks led to a rush of withdrawals of foreign funds from London.

The Macmillan Committee on Finance and Industry reported at that time that short-term foreign deposits in London were over three times greater than the Bank of England's total reserves, and these reserves were soon to disappear at an alarming rate. In the space of two weeks during July the gold and dollar reserves fell by a quarter. Loans were extended from France and the U.S. to help support the pound, but proved of little use. Estimates of the budget deficit for 1932-33 were in the region of £120m., and were later revised to £180m. The Labour Government resigned on August 24 and on September 10, under the new National Government, a budget of draconian measures was presented to Parliament. The run on the pound continued however, and by September 19 the Bank of England's official reserves had fallen to a nominal £5m.

Bank Rate was raised to 6 per cent and, with the pound floating, the exchange rate against the dollar fell to $3.43, and, in November 1932 at the height of the depression, to a record low of $3.14½. Only 12 months after touching that low sterling was at its highest level since before the First World War, by rising to $5.06½ towards the end of 1933. Over the same period Bank Rate was reduced to 2 per cent, and a time of relative stability for the pound began.

The maintenance of sterling around the $5 level until the approach of the Second World War was largely the result of President Roosevelt's decision to devalue the dollar against gold. In March 1900 the U.S. authorities passed the Gold Standard Act, valuing gold at $20.67 per fine ounce, and on January 31, 1934 this official price was raised to $35, where it remained for almost 38 years.

In August 1939, with the approach of war, sterling fell to $4.38. During the war it was pegged at an official rate of $4.03½, and at $4.01¾ in July 1947. Financing the war effort left Britain heavily in debt to both the U.S. and members of the Commonwealth, which then formed the sterling area. Lord Keynes described the sterling area as "countries to whom we already owe more than we can pay on the basis of their agreement to lend us money which they have not got, and buy only from us and one another goods which we are unable to supply."

The accumulation of sterling balances of about £2.7bn. by sterling area countries and a further £600m. by other countries was the subject of negotiation with the U.S. after the war at the time of $3.75bn. loan from the U.S. It was agreed to make sterling freely convertible into dollars from July 15, 1947, but convertibility was suspended on August 20, since almost the entire loan was used up as sterling holders transferred pounds into dollars.

The attitude of the Americans reflected their concern that this vast sum of sterling, freely spendable within the sterling area, but not convertible into dollars, might adversely affect the growth of U.S. trade. The Americans may have underestimated their own economic power. With much of European industry destroyed, the U.S. was inevitably the major source of much of Europe's needs—and that also included money. A huge injection of funds was needed for reconstruction, and was made available through Marshall Aid.

By the summer of 1949 the economic power of the U.S. and the widening trade gap in its favour made a realignment of major currencies inevitable. The main reason given for a devaluation of sterling of 30 per cent. was: to restore the competitive position of U.K. exports in the North American market. It was hoped that a devaluation of this scale would take pressure off the exchange rate by making it clear that this was as far as Britain intended to go, and that it was not a first step in a series of devaluations.

Wilson

The resulting parity of $2.80 lasted, somewhat uncertainly on occasions, until November 1967, when Sir Harold Wilson, then Prime Minister, made his famous "pound in your pocket" speech after the Labour Government had decided to reduce the pound's value to $2.40.

In the following nine years we have seen the overall slide of the pound continue, interspersed with occasional periods of appreciation, largely because of the dollar's own problems. At the Smithsonian Currency Agreement in December, 1971, the U.S. undertook to raise the dollar value of monetary gold, for the first time since 1934, to $38 an ounce. This represented a 7.89 per cent. devaluation of the dollar, while at the same time sterling was effectively revalued at a middle rate of $2.6057. The band of permissible fluctuations around par values or central rates was widened to 4½ per cent. from the previous 2 per cent., giving a Bank of England buying and selling range of $2.5471 to $2.6643.

Early in February the pound touched $2.61, and at the beginning of May Britain joined the European currency snake, by agreeing to stay within the new band of movement of 2.25 per cent. which had recently been put into effect by the members of the Common Market. This lasted only until June, when fears of rising U.K. inflation led to heavy withdrawals of foreign funds from London, causing the withdrawal of sterling from the snake. On June 23 the pound was floated and by October had fallen to $2.34, representing a depreciation of 10.5 per cent. since the middle rate set in the previous December. At the beginning of this year the pound was $2.02½, and touched $1.55 in late October, but has recovered somewhat since then.

In the early part of this century Lord George Hamilton, chairman of the Edwardian Poor Law Commission, wrote: "The object and incitement of the 19th century was to accumulate wealth, while the duty of the 20th century is the far more difficult task of securing its better distribution."

The extent to which this has been accomplished is open to argument, but it may also be said that the average improvement in living standards enjoyed by the British people has not altogether been paid for by an increase in the overall earnings of the country.

Although there is now a pressing need to improve the performance of British industry, it would be wrong to conclude that the performance of British companies is very much worse now, in comparison with West Germany or Japan, than it was 40 years ago or 80 years ago. Throughout this century Britain has lived with an uncompetitive industrial base, but prior to the Second World War it may not have appeared to be so important because a large proportion of the country's earnings came from overseas investments.

Letters to the Editor

Inflation accounting

From Mr. W. Trillwood.

Sir,—In his search for a realistic system of inflation accounting, I think Mr. Gourdie (December 17) should set his sights on a more accurate measurement of the impact of inflation on profitability than he proposes.

The company he cites to illustrate his view has increased its profits under historical cost accounting by 25 per cent. and the rate of inflation over the 12 months has been 15 per cent. Mr. Gourdie asks: "Is its real growth 10 per cent. by and large?" I should have thought that inflation was not confined to the increased profit; a more realistic measurement would take the total profit into account.

If this were done the "real" total profit would be 106.25 (125—15 per cent. of 125), a "real" increase of only 6.25 per cent., compared with Mr. Gourdie's estimate of 10 per cent.

This prompts me to inquire whether he would regard a difference of 60 per cent. (10—6.25)×100 "by and large"
6.25
significant, or realistic?

W. Trillwood.
Beckley, Oxford.

The power plant industry

From Mr. D. Greenwood.

Sir,—I have read with interest the letter from Mr. K. Hodgson (December 22) with regard to the future of the power plant industry. I find it unsatisfactory and wish to raise some queries over its contents.

"The problem with creating a monopoly in private hands is that what is good for GEC is not necessarily good for the country." If he accepts this then why does he restrict it to "private" hands? The Central Electricity Generating Board also enjoys a monopoly position and the current problems in the power plant industry are directly concerned with the past exercise of this position. It is the direct result of incorrect forecasting of future patterns of demand for electricity that has led to the present order famine of which he complains. Indeed, the trade unions, with the introduction of the closed shop, are also becoming monopoly "suppliers" of labour and it could be argued that part of the result of this is the current grave unemployment situation.

"The Government should reach a decision which ensures the immediate safeguarding of thousands of jobs and provides a basis for the long term future of the industry." Experience has shown that constant Government interference in determining the pattern of employment and planning for the long term future of our industrial base has led us to our present grave economic situation and I trust that any consideration by a studies unit will look at this evidence with equal zeal.

"Some unions have argued for the setting up of a national holding company for the manufacture of fossil-fired power stations to complement the direct Government control now exercised over nuclear power plant production . . . others have argued for complete nationalisation." I understand from recent articles that the current situation in the nuclear power plant industry is equally serious and I cannot find any evidence from our economic history of the past 30 years that nationalisation has solved any problems in the industries now gathered into the "public sector."

I am not arguing that it is necessarily "correct" in economic terms to encourage further mergers in turbine generating; I am, however, asking that a less blinkered approach should be adopted by any organisation attempting to propose remedies for current industrial problems.

I would refer Mr. Hodgson to the interesting and detailed article in the National Westminster Bank Quarterly Review of August, 1976, entitled "Electricity Industry and Problems of Size" by Mr. G. Corti. This compares the results of the electricity generating industries in Britain, France and Germany with the following conclusions, which I reproduce with the permission of the editor of that Review. "The argument for a unitary, concentrated structure for electricity production in advanced industrial countries, resting so heavily on economies of scale, remains a theory only. The past 20 years experience suggests that advanced industrial countries can have a deconcentrated devolved system without apparently suffering financial, technical or industrial relation penalties. In fact, the reverse appears to be the case. Evidence does not point to the biggest being best."

D. Greenwood.
10, Old Jewry, E.C.2.

Assembly for Wales

From Mr. N. Edwards, MP.

Sir,—Mr. Anthony Moreton, in his article on devolution for Wales (December 21), makes the quite unfounded statement that the Conservatives are "completely against a referendum." I cannot imagine where he got the idea. The executive of the Conservative Party in Wales has repeatedly passed pro-referendum motions with overwhelming majorities. Virtually every constituency association has clamorously pressed for a referendum and I, as Opposition spokesman on Welsh Affairs, have supported the idea in a number of speeches, most recently in the second reading debate at Westminster.

We believe that the Government's proposals for Wales are unworkable and will lead to conflict, and for that reason we shall seek to delete Wales from the provisions of the Bill. On the other hand, I have always made it clear that if Parliament passes an Act establishing an Assembly, and the Welsh people vote for it in a referendum, we well accept that verdict and seek to make a success of these new constitutional arrangements. Unlike Mr. Anthony Moreton, however, I do not believe that the Welsh people will vote in favour of an Assembly and certainly there is no reason to think that at a time when the Labour Party with 30 per cent. of the vote is behind the Conservatives with 32 per cent. in public opinion polls, Labour will find it easy to herd their voters "into the protagonists' camp."

Nicholas Edwards,
House of Commons, S.W.1.

Plaid Cymru advances

From The Chairman, Plaid Cymru.

Sir,—In your leader on devolution, "A question of principle" (December 20) you reiterate the commonly, but mistakenly, held view that the pressures for devolution and self-government in Wales are, in the main, cultural and linguistic rather than political. While such an analysis may have been valid 15 or 20 years ago, it is not true to-day and is belied by all the available evidence.

It was in the anglicised and industrialised valleys of South Wales that Plaid Cymru made its most spectacular advances in the local elections last May, becoming the single biggest party in the Rhymney Valley and gaining control of Merthyr Tydfil—a town fully conscious of its tradition of radical politics.

A recent opinion poll in the Western Mail indicated how widespread is support for devolution. In response to the question, "Do you think the Welsh Assembly should have more power or less power than that proposed in the Bill, or is it about right?" 35 per cent. favoured more power, 33 per cent. thought it was about right; 19 per cent. wanted less power and 13 per cent. did not know. This result suggests that 68 per cent. favour devolution. A county-by county analysis shows that this support is fairly evenly spread, the lowest level of support being in Gwent (59 per cent.) and the highest being in Gwynedd (80 per cent.). Even in Gwent 17 per cent. only wanted less power for the Assembly.

Plaid Cymru's confidence regarding the outcome of a referendum can be gauged from the same poll, which showed that it was among Plaid Cymru supporters that there was the greatest support for a referendum (82 per cent.).

The presence of a vociferous minority among Welsh Labour MPs should not be allowed to obscure the fact that the majority of Labour MPs from Wales together with Plaid Cymru, the Liberals, the Wales TUC, most trade unions and many other bodies in Wales support the present Bill or wish to go further.

Eurfyl ap Gwilym (Dr.).
80, Celyn Avenue,
Lakeside, Caerdydd/Cardiff.

Super insurance company

From the chairman, Martin Paterson Associates

Sir,—It appears that many companies with insured pension schemes are thinking in terms of contracting out of, the Castle scheme. I wonder how many of your readers find as I do a strange inconsistency in, on the one hand choosing to have an insured pension scheme and on the other choosing to contract out. The main reason for insuring a pension scheme must be to avoid undue risks where these can be avoided: thus, by paying a bit more one's budgeted cost is a little safer. Unfortunately up to now it has not been possible to avoid the major risk in a pension scheme, namely the effect of wage inflation on the amounts of pension that have to be bought. This is because no insurance company will accept such a risk. It follows that the protection afforded by an insurance company is necessarily very incomplete.

But when it comes to the Castle scheme, the Government, unlike the insurance companies, is prepared to accept in full the risks associated with pensions which, within the relevant limits, are of the final salary type. The Government is in effect saying to the employer: "You have these obligations to meet and we offer to underwrite them completely on the terms stated." These terms are such that no insurance company could possibly compete with them and offer guarantees similar to those of the Government.

So one is led to ask the question "Why are so many employers with insured schemes choosing to contract out?" What is the point of insuring the minor risks if one accepts oneself the major ones? Indeed what is the point of buying £x of pension when one does not know the value of x. Surely it would be more logical to accept the whole of the risk or to accept none of it.

There are two possible explanations for this inconsistency in the attitude of employers to insurance and contracting out, both implying a degree of lack of information and understanding of what the real options are. One is the belief that the insurance company is somehow guaranteeing the costs of the additional pension. The other is the belief that the employees will be better off contracted out. The truth of the second belief is seldom, if ever, tested and not found wanting.

To see matters in a truer perspective, I would suggest that an employer with an insured scheme imagines his own scheme and the state scheme as, respectively, a privately invested fund and an insurance contract—for that is the real position in which they stand in relation to each other. In other words, the Government is a super insurance company from which the private fund is free to purchase part of its pension liabilities—the most hazardous part. If it believes in insurance it will naturally choose to do so.

Martin Paterson.
10, Hertford Street,
Park Lane, W.1.

Fashionable euphemisms

From Mr. T. Simms

Sir—Reference "Lombard" of December 22—on the occasions that Samuel Brittan wishes to convey the notion that the "attitudes in question" (or whatever) are in vogue I cannot better his choice of the word "fashionable." It is descriptive, widely understood, has the appropriate connotation and is easy to spell—above all, compared with many other words in current use, we have not changed its meaning. I am not therefore entering his "competition" though I am sure I am not alone in looking forward to the results of this.

There are, of course, many adjectives appropriate to "certain political attitudes" but the one which is most likely to be most appropriate to most of the attitudes in question is "irrelevant"—irrelevant that is to our real and long term needs and wellbeing.

But I would like to make another plea—that we should discourage (ban ?) the use of the various euphemisms which politicians and others have evolved to camouflage the truth, that is, recycled petro-dollars, planned credit (deficit financing), sterling balances, to name but a few. It would help us laymen if these apparently troublesome things were called by their proper name—debt. In the meantime, my thanks to Samuel Brittan for inspiring a New Year's resolution—not to use the adjectives simplistic, unacceptable or inevitable—at least not without some qualification.

Terry Simms.
49, Heaton Grove,
Bradford 9,
West Yorkshire.

Initially its surprising

From Mr. R. Bruce Lockhart.

Sir,—In the belief that your newspaper is associated with the NPP and the ENI, I thought you would be interested in my recent M3 experiences. At the intersection with M1, not far from DCE, I happened to meet someone from the SDLP who was having CTT trouble, largely due to an unresolved OFT problem related to IPM.

Naturally, in the IBRD circumstances, I told him that DHSS could resolve his dilemma if he had the right DKR connections. It turned out that my new acquaintance was very much involved with LDC and IADB but in view of his difficulties, I suggested he might do better with ASTMS or UBAE.

Unfortunately, my advice was ignored as SOGAT had already discussed the matter with the IMF which, although keeping a benevolent eye on PLO, preferred NDC. I refused to be put out by someone who was clearly confused between RPR and UPI and suggested he refer the whole subject to UAE.

At this point in our discussions, a new arrival on the scene intervened who came from NEDC (not to be confused with NDC, above). His view, backed by the RHA, was that IRI could not hold a candle to CIEC. "After all," he said, "what had SLADE done for CEGB?"

As one much involved with OPEC, through my NHS connections in the EEC, I was somewhat baffled by this remark. After all, had not the NUJ and NATSOPA been completely convinced of CCA benefits to FTC and NGA?

These examples of the "initialomania" epidemic which has hit the British Press are culled from a December issue of the Financial Times selected completely at random. (Note the absence of our old friends GNP, MLR, RPI and PSBR!).

R. N. Bruce Lockhart.
Castello Parsons and Co.,
1-2, Finsbury Square, E.C.2.

Commuter fares

From Mr. K. Heath.

Sir,—It would not be difficult to allow season tickets, if not other commuter fares, as an allowance against tax without an army of extra tax inspectors. If employers would undertake to buy the season tickets on behalf of their employees, recovering the cost from their pay, the cost could be entered by the employer as an allowance on the coding form and the final tax code amended accordingly. This would automatically exclude the cost of the ticket from tax. It would have the further benefit of eliminating, partly at least, the perennial Monday morning nuisance who writes out a cheque for his season ticket at the booking office window two minutes before the train is due to leave.

An even simpler procedure, but one that would exclude only basic tax, would be for the railway to reduce the cost of a season ticket (within the commuter areas) by 35 per cent. or whatever happened to be the basic rate. A £10 ticket would then cost the commuter £6.50 and he would have to earn £10 to buy it. The railway would then recover the total of its discounts from the Inland Revenue. It would be rough justice, because those who paid no income tax would profit and those who paid higher rate tax would lose. But rough justice is better than none, and that is what those who chose to live where they do on the basis of railway fares as they used to be have been getting.

K. C. G. Heath.
Bearsden,
Onslow Road,
Sunningdale,
Berkshire.

COMPANY NEWS

BIDS AND DEALS

Dunford spells out reasons for rejecting JFB

SHAREHOLDERS of Dunford and Elliott, the Sheffield steel group, are given four reasons for rejecting the take-over bid by Johnson and Firth Brown in a letter sent to them by Mr. Frank Welsh, chairman.

Again urging them to "ignore completely" the JFB offer, he claims that acceptance of it would lead to a 20 per cent. decrease in the capital value of individual shareholdings, a 39 per cent. drop in income, a "very significant" decrease in earnings attributable to holdings, and a 38 per cent. fall in the assets underlying holdings.

Mr. Welsh contends that the offer was opportunistic and made at a time when Dunford and Elliott's share price was "unduly depressed" because the company's financing plans were still being negotiated.

"These negotiations have now been satisfactorily completed." he adds. "Your company is now doing very well indeed and you will soon reap the benefit."

The bid is not to be referred to the Monopolies Commission.

In a statement issued immediately following the announcement of the decision, Mr. Welsh, said that he was not surprised by the decision. "We never sought a reference, and only provided the Office of Fair Trading with evidence at their request," he said. He goes on to add that "We are quite content to defeat this bid through the normal City process, and our share price of 41p against a bid price of 36.8p demonstrates just how successfully we are accomplishing that."

HAMBROS SELLS DUBAI BANK STAKE

The Swiss Credit Bank of Zurich, has acquired from Hambros Bank a 10 per cent. shareholding in Dubai Bank. As a result of this transfer of founders' shares, the Zurich bank will also hold direct participations in the Khalij Commercial Bank of Abu Dhabi, in which Dubai Bank has a substantial interest.

Swiss Credit Bank already owns a minority stake in the National Bank of Sharjah, founded early this year, and has a representative office in Bahrain.

ASSOCIATES DEALS

Cazenove and Co. on December 22 bought 10,000 Golden Hope Plantations at 79p on behalf of an associate of Harrisons and Crosfield.

Capel-Cure Myers bought 2,300 Dunford and Elliott at 41p, 25,000 at 45½p and 10,000 at 45p on behalf of discretionary investment clients.

J. Henry Schroder Wagg and Co. sold 5,000 Consolidated Goldfields at 153p on behalf of associates.

Henry Cooke Lumsden and Co. bought on behalf of discretionary investment clients 2,500 Whitecroft at 129p.

Rowe Rudd and Company bought 240,677 Gloucester and Cheltenham Investments Ordinary shares on behalf of Ferguson Securities, the holding company of Gloucester and Cheltenham.

Cazenove and Company on December 22 purchased 10,000 Golden Hope Plantations Ordinary 10p shares at 79p on behalf of an associate of Harrisons and Crosfield.

Cazenove and Company on December 23 purchased 85,000 Golden Hope Ordinary at 81p on behalf of an Associate of Harrison and Crosfield.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Alisa Investment Trust, Associated Tooling Industries, Gresham House Trust, The Investment Co., Midland Educational.

FUTURE DATES

Interims—	
S. Hoffnung and Co.	Dec. 30
Trident Group	Jan. 12
Finals—	
Dewhurst and Partner	Jan. 21
Geevor Tin Mines	Jan. 4
Inchcape	Jan. 27
Investors Capital Trust	Jan. 11
Lowe (Robert H.)	Jan. 7
Maidenhead Investment Holdings	Jan. 4
Scottish and Newcastle Breweries	Jan. 12
Warner Estate Holdings	Jan. 20
Winterbottom Trust	Jan. 4

JAYCRAFT RESIGNATION

Following what are believed to be fundamental differences in management philosophy between Mr. David Constance, managing director of Jaycraft Printed Products, and Mr. H. J. Newton, chairman of Universal Conveyors Holdings, which acquired an interest in the Loughborough-based giftwrap-to-Christmas-cards company last July, Mr. Constance has sold his shares in Jaycraft to Universal Conveyors and resigned as managing director.

SHARE STAKES

Borelli Tea Holdings received notice from Purbeck Group (formerly Bandanga Holdings) that they have purchased a further 1,000 Ordinary in Borelli, bringing their total holding to 37,900 Ordinary shares.

Dover Engineering: Group—Newman Industries acquired 205,000 Ordinary shares. Following this acquisition Newman is beneficially interested in 1,037,000 (25.93 per cent.) Ordinary shares of Dover.

Esperanza Trade and Transport—Rothschild Investment Trust has purchased a further 20,000 Ordinary shares. This brings total holding to 1,883,893 shares.

Hill Samuel Life Assurance has disposed of its holding in Haslemere Estates.

A corrected notification from Kien Huat Realty to Golden Hope Plantations says that as a result of purchases between December 7 and 17 inclusive of 321,980 Golden Hope shares, Kien Huat and associates was interested on December 21 in 11,178,680 Golden Hope shares.

A further statement by Kien Huat says that they and their Associates purchased 6,000 Golden Hope at 73½p and 20,669 at 73p.

Debenhams pays £1.21m. for Blundells

Country and New Town Properties is to sell its wholly-owned subsidiary, Blundells of Luton, to Debenhams for £1,212,680. The acquisition includes the lease, goodwill and fixtures and fittings plus stock, debtors and motor vehicles at a valuation (estimated at £500,000).

After discharging Blundells bank overdraft and related trade creditors totalling £738,000, the balance of the consideration will be utilised in reducing Country and New Town's bank indebtedness.

SOUTHERN INDIA REJECTION

Southern India Tea Estates has written to shareholders advising them to reject the increased offer for the company from Travancore Tea Estates. The bid was raised by 15p per share to 50p last week.

Shareholders are told that they would be ill-advised to dispose of their shares before the Indianisation proposals can be made known to them. The proposals which are in hand for local Indian participation "are expected to be of substantial benefit to Southern India if concluded."

WILLIAMS HUDSON

The Board of Williams Hudson Group announces that the two shipping transactions, reported recently as conditionally agreed, are now unconditional.

FT Share Service

The following security has been added to the Share Information Service:

Combustion Equipment Associates (Section:—Overseas—New York).

NEW LONG 'TAP'

The prospectus is published today in connection with the new long "tap." The issue is of £750m. of 15¼ per cent. Treasury Loan 1996 at a price of £99 per cent.

Interest on the stock is payable half-yearly on May 3 and November 3, with the Loan repayable on May 3, 1996. The first interest payment will be next May at the rate of £5.14 per cent.

The List of applications will open and close on Friday, December 31.

GARDENS TODAY

Lessons learned from an unusual year

BY ROBIN LANE FOX

LOOKING BACKWARDS over the past season in the garden, I am not sure what has been learnt. I used to believe in planting new plants in springtime, in choosing annual flowers which can resist rain and in planting only those plants which are sure to survive cold winters. Each of these beliefs suffered in 1976; whether the year was typical seems to me to be doubtful. But we all learnt that plants are extraordinarily tough. There is a story in every garden of some old shrub which dropped its leaves, browned and seemed to be dead, only to recover by late October. I have been amazed by an elderly swamp cypress, a tree of such delicate beauty on ground where its roots run into water. Established on the edge of a small island in the middle of a lake, it was left with no water, a four-foot drop in the water table and a lake surface which sprouted prolific greenery from its hard mud and actually had to be mown. By August the swamp cypress was browned and death seemed all too likely. But it has pulled through and the ending of the dry weather revived it at the first heavy fall of rain. I would still hesitate to throw away anything which seems to have succumbed to dry weather. The spring may surprise you and some newly moved plants are always slow to show fresh growth. For example, I have had several queries about the state of young wistarias which readers have planted on the front of their houses. Wistarias are no strangers to dry summers in the wild, but they are often particularly slow about sending out new shoots when first moved. In a normal year they may [illegible] quietly until autumn, at least. So do not despair if they have been completely bare throughout 1976. They may yet spring up, like some wilted clematis in 1977.

As for the year's successes, they existed, certainly, but I am not sure how many I would ask again. Top of the list comes a South African plant called *Dimorphothega Ecklonis*, probably *Prostrata*. Please do not run away from its cumbersome first name, which means a plant with "seed vessels of two different shapes." I wish somebody would rename it, as I think it is quite remarkable, every bit as good as snapdragons, lobelia and the other familiar plants which we bed out every year. I would like to start a fashion for it and am as confident as one ever can be that it is a plant, too, for those who merely stray into gardening columns as light relief after Christmas. It is extremely easy to grow.

I first noticed this good plant in the National Trust garden at Hidcote where it had been massed in that bit of garden which runs away on your right when you enter the first courtyard and turn naturally to the left, to see the famous hedges and the red border. It had not been a hot summer, but by late August this large ivory-white daisy had spread into a huge mat of leaves, some 50 plants interlocking over an area which would otherwise be awkward to weed. The flowers have a deep purple flush on the back of their petals and a smart indigo centre to which they are attached in front. They are quite large and shut up when the weather is dull. Hence they are a plant for sunny seasons, marvellous value during the past year and exceptionally willing to spread as groundcover on any sunny bank. My neighbour also grows it, from cuttings given to him years ago by an old village gardener who certainly did not know its name. I had bothered to buy plants from Treasures, of Tenbury, Worcestershire, while it was in fact tucked away among the cabbages next door, spreading happily without any attention. It increases so quickly from cuttings. I buried a few on a small south-facing bank in those weeks in April when the drought first showed its hand.

Without any attention, these 6-inch slips spread into clumps a foot wide and flowered freely from July to October, masking all weeds. Remember that the flowers only open on clear days and that the plants may not come through very cold winters. So you must take a few autumn cuttings or lift a plant and keep it in a cold shed in order to save the stock. Or at least, you are advised to be cautious. I must say that those which are still outside in my garden [illegible] not been troubled by the re[illegible] frosts. Perhaps they [illegible] hardened to English condit[illegible]

Nineteen seventy-six has taught me the truth abo[illegible] thing called the varieg[illegible] figwort, *Scrophularia Varie*[illegible] to be more precise. Wit[illegible] question this has been [illegible] bright spot of the garden [illegible] only plant to attract persi[illegible] notice from visitors and d[illegible] them from the embarra[illegible] fact that my newly sown [illegible] had wholly failed to germi[illegible] I had believed that this bri[illegible] variegated plant insisted [illegible] shade and a damp place [illegible] is almost so coarse that [illegible] cannot face it in bright sun[illegible] and its habit of throwin[illegible] taller stems which fall un[illegible] is not in its favour. The red flowers are so small they are worthless, so [illegible] should cut the stems off [illegible] they appear. Otherwise, [illegible] must hope that the yellowish-edged leaves are eaten by insects too ear[illegible] the season, a fate which befalls them and is beyond [illegible] control. As long as you escape this, you have [illegible] brightest foliage plant [illegible] able from spring till Nover[illegible] so bright in fact that you [illegible] well mass it in groups i[illegible] front of a border which ne[illegible] to be cheered up; repeat[illegible] at intervals so that it domi[illegible] the whole thing. It is n[illegible] too common, but not qu[illegible] had it this year in front [illegible] admirable *Salvia turkest*[illegible] and the two went well tog[illegible] It is a myth that the fi[illegible] likes to be damp. Plain[illegible] revels in dry semi-shade [illegible] invaluable discovery. I [illegible] never seen it so happy [illegible] this hot year. You [illegible] order it from Bressin[illegible] Nurseries, Diss, Norfolk, [illegible] little can soon be divide[illegible] go a long way. Beginnin[illegible] year with groups of phloxes and autumn gen[illegible] I imagined that I would [illegible] up reviewing them by C[illegible] mas. Not many have surv[illegible] and I am left only with drought-loving figwort wh[illegible] urge you to try. The be[illegible] luck in 1977, but one pray[illegible] a wetter summer, if [illegible] because a third good yea[illegible] marrows, cucumbers and [illegible] corn is surely more than [illegible] palate can bear.

World Value of the Pound

The table below gives the latest available rates of exchange for the pound against various currencies on December 24, 1976. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the U.K. and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (S) member of the sterling area other than Scheduled Territory [illegible] Scheduled Territory; (o) official rate; (F[illegible] rate; (T) tourist rate; (n.c.) non-comm[illegible] rate; (n.a.) not available; (A) approximat[illegible] no direct quotation available; (sg) selling [illegible] (bg) buying rate; (nom.) nominal; [illegible] exchange certificate rate; (P) based o[illegible] dollar parities and going sterling dollar [illegible] (Bk) bankers' rate; (Bas) basic rate; [illegible] commercial rate; (cn) convertible rate; [illegible] financial rate.

Sharp fluctuations have been seen in the foreign exchange market. Rates [illegible] table below are not in all cases closing ra[illegible] the dates shown.

Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling	Place and Local Unit	Value of £ Sterling
Afars & Issas Djibouti Franc	280(sg)	Germany West Deutschemark	4.00½	Paraguay...... Guarani	[illegible]
Afghanistan.. Afghani	78 (A)	Ghana (S) ..... Cedi	1.94	P'pl's D. Rp. of Yemen (S) S. Yemen Dinar	(A)[illegible]
Albania....... Lek	(9)10.10(A) (n/a)	Gibraltar (K) Gibraltar £	1.00	Peru .... Sol	[illegible]
Algeria....... Dinar	7.05	Gilbert Is. Aust. Dollar	1.5503	Philippines... Ph. Peso	[illegible]
Andorra....... French Franc	8.42	Greece ...... Drachma	62.2386	Pitcairn Is. (S) £ Sterling	[illegible]
Andorra....... Spanish peseta	115.60	Greenland ..... Danish Kroner	9.78½	Pitcairn Is. (S) New Zealand $	[illegible]
Angola .... Angola Escudo	n.a.	Grenada (S) E. Caribbean $	4.55		
Antigua (S)... E. Caribbean	4.56	Guadaloupe.. Local Franc	8.42		
Argentina..... Ar. Peso Free Rate	458.29	Guam .... U.S. $	1.6805	Poland........ Zloty	[illegible]
		Guatemala ... Quetzal	1.6805		
Australia (S). Australian $	1.5503	Guinea Rep... Sily	37.55	Portugal...... Port. Escudo	[illegible]
Austria....... Schilling	28.45	Guinea Bissau	53.3891	Port. Timor ... Timor Escudo	[illegible]
Azores .... Portug. Escudo	53.30	Guyana (S)... Guyanese $	4.3108	Principe Isle.	[illegible]
		Haiti .... Gourde	8.4525	Puerto Rico... U.S. $	[illegible]
Bahamas (S) Ba. Dollar	1.6805	Honduras Rep Lempira	3.38	Qatar (S) ...... Qatar Ryal	[illegible]
Bangladesh (S) Taka	25.35(sg)	Hong Kong (S) H.K. $	7.9613	Reunion, Ile de la.... French Franc	[illegible]
Bahrain (S) ... Dina	0.665	Hungary...... Forint	(com) 71.96 (nc)(T)38.89	Rhodesia...... Pound	[illegible]
Balearic Is..... Spa. Peseta	115.60				
Barbados (S).. Barbados $	3.381	Iceland (S)... I. Krona	318.10	Romania...... Leu	[illegible]
Belgium, ... B. Franc	(cm)61.30 (fn)61.20	India (S)...... Ind. Rupee	15.14(sg)	Rwanda........ Rwanda Franc	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

صكذا من الاصل

INTL FINANCIAL AND COMPANY NEWS

Swedish takeover battle

BY WILLIAM DULLFORCE

STOCKHOLM, Dec. 28.

AN UNPRECEDENTED battle between two major Swedish companies, both belonging to the Wallenberg empire, was sparked off to-day when the Board of the Swedish Match group rejected a takeover offer from the KemaNord chemicals company. The KemaNord Board is nevertheless proceeding with an offer to Swedish Match shareholders of one KemaNord share (stock market value Kr.290) plus a Kr.200 convertible bond for four Swedish Match shares (market value Kr.? each). The Bond would carry a 9 per cent. coupon and a conversion price of Kr.330.

After an eight-hour meeting with the KemaNord directors, the Swedish Match board stated in a Press release that the commercial advantages of a merger on the terms offered "would not be sufficient to justify recommending acceptance to shareholders." Although it was discontinuing the merger talks the Board hoped the existing co-operation between the two companies in certain product areas would be continued and reinforced.

The stand by the Swedish Match board baulks the merger plan understood to have been devised by Dr. Marcus Wallenberg, the dominant personality in Swedish business life over the past quarter century, who has set his heart at the end of his career on consolidating the companies he has led together with his brother Jakob.

KemaNord's insistence on taking the offer to shareholders at the same time leads to a confusing situation in that the major shareholders in the two companies are Wallenberg investment companies. Of the Swedish Match shares, Investor holds 26 per cent., Custos 23 per cent. and Providentia 8 per cent. Providentia holds 14 per cent. of the KemaNord shares and Investor 10 per cent.

Deadlings in the Swedish Match and KemaNord shares, suspended last Thursday, are expected to be resumed on the Stockholm Exchange to-morrow.

VMF-Stork loss

BY JOHN WICKS

AMSTERDAM, Dec. 28

VMF-STORK, Holland's dominant industrial engineering group, ended a long period of speculation here last night when it stated it would be making a loss this year as a result of a number of setbacks such as the faltering economic picture and major problems at certain subsidiaries. The Board refused to give an indication as to the possible size of the loss.

The statement by the board has been released at a time of growing trade union resistance to VMF-Stork's proposals to close down two lossmaking foundries, and also coincides with an apparent deadlock in the 1977 central wage talks in the metal industry in Holland.

A VMF spokesman admitted here today that the haircrack problems in the TM-410 diesel engine production, now all solved, had cost in all "several tens of millions of Guilders."

Besides the combined loss of Fls.15m. at the two foundries, the Stork plastics processing machinery subsidiary stood to make a loss of "at least Fls.10m." and the apparatus construction firm (Stork Velsen), for which some "solution" may be found together with RSV and HBG, has chalked up losses also of Fls.15m. this year.

Confidence at Swissair

BY JOHN WICKS

ZURICH, Dec. 28

SWISSAIR will have booked the best gross result in its history in 1976, according to the airline's president Armin Baltensweiler. This fact, which Baltensweiler said Swissair staff is "a reward for exacting efforts" will permit assumption of extraordinary depreciations and obviate expensive outside financing.

For 1977, he said Swissair would aim to reach a result as good as that expected for 1976. The retention of existing workplaces would remain the company's first priority, he added.

Traffic increased at a rate far above expectations of more than 13 per cent. in 1976, though revenue in terms of Swiss francs was up by only 8 per cent. or 0.3 per cent. above the budget.

AMC accounts qualified

By Jay Palmer

NEW YORK, Dec. 28.

THE CONTINUED financial survival of American Motors, the smallest of the four largest U.S. car makers, depends on the company's ability to maintain "adequate financing and improve its operating results."

In an amendment to American Motors' annual reports for the fiscal year ending last September 30, auditors Touche Ross formally "qualified" their assessment of the company's financial condition.

The accounting firm's judgment, which seems to have come as little or no surprise to car industry analysts, noted that American Motors had at its year-end short-term debts of $63m. falling due this month against cash-on-hand of only $59.7m.

Over the Christmas holiday a spokesman for the company stressed that American Motors' senior executives were confident that they would be able to find new outside financing and roll over existing lines of credit.

Iran would have dealt into Fiat

BY DOMINICK J. COYLE

ROME, Dec. 28.

A DIRECT Iranian equity stake in Fiat, on lines similar to that negotiated recently by the Libyan Government in a £252m. deal, had earlier been on offer by the Shah of Iran but was rejected by the Agnelli family who control Italy's largest private corporation.

This was disclosed in an interview with the Shah carried in to-day's issue of the Milan daily, Il Giornale Nuovo, in which he described Libya's purchase of a 9.6 per cent. Fiat shareholding (with an option to extend this to 13 per cent.) as a "realistic deal."

"I would have made the same deal with Agnelli as I did with (the West German company) Krupp," said the Shah, "but Agnelli always rejected my proposals."

He, in effect, accused Fiat of refusing to expand the small assembly plant which the company had in Iran. Five years ago, he claimed, Fiat had immense potential for expansion, but the opportunity has since been taken by others "and now Agnelli has lost all chances in Iran."

The interview with the Shah, ironically carried in a Milan daily launched by journalists who quit the Fiat-owned Corriere Della Sera, quotes the Shah as saying that his country's present policy puts emphasis on increased co-operation with Italy and a desire to help in restoring equilibrium to this country's balance of payments.

With this in mind, the Shah said he had now proposed the creation of a joint company between ENI, Italy's state-controlled oil corporation, and its Iranian opposite number, NIOC, pledging to invest in Italy part of Iran's profits from the deal.

Similarly, he suggested a possible joint development in the petrochemical sector "which might also guarantee funds for future Italian purchases of Iranian crude."

BNP borrows again

BY DAVID CURRY

PARIS, Dec. 28.

THE BANQUE Nationale de Paris, the State-owned French bank, is making its third issue on the international capital market in 16 months. This time it is raising $40m. for a maturity of six years at a floating rate equivalent to 0.25 per cent. above the London inter-bank rate for six month dollar deposits. The minimum rate will be 5.75 per cent.

The turnround at Toyo Kogyo

TOKYO, Dec. 28.

TOYO KOGYO CO. had a Y1.055 bn. net profit in the year ended October 31, compared with a Y1.671bn. net loss for the year before, reflecting good sales of its new sports car-like model, Cosmo, the company said.

The company posted sales of Y588.206bn. in the year compared with Y496.488bn.

An official for the company said the sharp increase in net profit resulted from brisk sales to European and Mideast nations.

Four-wheel car exports totalled 446,839 units in the year compared with 314,857 units in the year-earlier period.

The Cosmo model sold about 6,000 units per month in Japan and overseas countries.

The company said it expects to post a net profit in the next year ending October 31, 1977 equal to that of 1976.

AP-DJ

FT GROCERY INDEX

Rising, but at slower rate

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

THE Financial Times Grocery Prices Index continued to rise at a slower rate in December than in either the autumn or in the same month last year.

The Index has gone up by 1.4 per cent. in the past four weeks to stand at 244.82. This compares with a rise of 1.8 per cent. in November and 3.6 per cent. in December of last year.

But the deceleration could be short-lived. In January, shoppers will face big increases in the dairy category because of the cutting of the Government subsidy on butter and cheese.

Bread could also be costing more next month, as a result of the manufacturers' ½p a loaf increase which comes into effect to-day, the simultaneous ½p cut in the subsidy, and the delivery union's threatened boycott of shops selling bread at cut prices.

This month, five of the 11 shops used by the FT shoppers around the country were selling bread at under 18p — the price which the van drivers' union says is the lowest it will tolerate.

The increases in the Index were spread across a wide range of categories. The dairy bill rose by over 2 per cent. while the preserves category went up by more than 5 per cent.

The beverages and soft drink sector also went up by over 2 per cent., though prices in the sauces, canned goods and frozen categories showed little change.

Almost all the items included in the dairy category showed some increase. Butter was costing at least 1p a pound more than in November in most shops, while margarine was also dearer. Eggs were up by at least 2p a dozen.

The increase in the sugar and beverages sector was largely due to coffee—now to be the subject of a Price Commission investigation. A 4 oz jar of instant coffee was selling for 16p more a jar than last month in some shops, while in others it had shown a rise of 10p or 12p.

The very varied price movements on coffee in different shops, which is one of the things the Price Commission is to look at, was demonstrated by the fact that in four shops, the price was unchanged on November, while the price paid for the same brand of coffee this month ranged from 59p in one chain of supermarkets to 75p in another.

Despite some steep increases on vegetables over Christmas, the prices paid by the FT shoppers for fruit and vegetables rose by less than 1 per cent. on November. But this was an increase of almost 20 per cent. on last December.

Looked at over this longer period, the biggest rises have been in the dairy category (up 19 per cent. on last December), sugar and beverages (up a third) and meat (up 20 per cent.).

Against this, the price of the canned goods on the shopping list have risen by only 12 per cent. since last December.

The prices used in this month's figures were collected just before Christmas.

FINANCIAL TIMES SHOPPING BASKET

	December 1976 £	November 1976 £
Dairy Produce	126.86	123.96
Sugar, Tea, Coffee, Soft Drinks	59.64	58.37
Bread, Flour, Cereals	75.38	75.24
Preserves and Dry Groceries	24.97	23.72
Sauces and Pickles	72.82	72.84
Canned goods	43.85	43.52
Frozen foods	37.89	37.73
Meat, Bacon, etc. (fresh)	172.99	170.87
Fruit and Vegetables	118.11	117.47
Non-Foods	51.03	50.03
Total	723.55	713.25

1971: Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00; July 107.24; Aug. 105.40; Sept. 105.26; Oct. 104.25; Nov. 105.48; Dec. 108.26.
1972: Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.36; June 115.97; July 111.97; Aug. 113.40; Sept. 112.14; Oct. 113.15; Nov. 11: 114.8; Nov. 18: 114.49; Nov. 25: 114.72; Dec. 2: 114.72; Dec. 9: 114.75; Dec. 16: 115.77.
1973: Jan. 117.56; Feb. 119.25; Mar. 120.53; April 123.80; May 125.57; June 128.81; July 127.64; Aug. 126.59; Sept. 129.39; Oct. 133.33; Nov. 135.83; Dec. 138.26.
1974: Jan. 141.41; Feb. 141.52; Mar. 142.66; April 8: 143.23; April 29: 142.64; May 145.17; June 147.97; July 146.22; Aug. 145.25; Sept. 147.6; Oct. 150.5; Nov. 156.39; Dec. 159.15.
1975: Jan. 162.84; Feb. 167.77; Mar. 173.59; April 178.49; May 183.41; June 193.02; July 188.45; Aug. 189.23; Sept. 186.64; Oct. 189.79; Nov. 194.78; Dec. 201.90.
1976: Jan. 208.33; Feb. 211.81; Mar. 216.69; April 222.42; May 226.78; June 22.82; July 216.71; Aug. 221.34; Sept. 230.34; Oct. 237.20; Nov. 241.53; Dec. 244.82.

INSURANCE

When 'Big Brother' will help with fire prevention

BY OUR INSURANCE CORRESPONDENT

IN MANY offices, shops and small factories, where fire fighting equipment is provided, little or no instruction is given in how to use it.

Consequently, the equipment should be made as simple as possible, according to the latest issue of Fire Prevention, journal of the Fire Protection Association, which deals with hand operated fire fighting equipment, including medium and high expansion air foam generators and mobile fire extinguishers (the big brothers of the smaller portable variety).

A European standard for portable fire extinguishers is now being prepared and could be incorporated into a new British Standard.

Another article, which examines the temperatures at which materials may ignite, claims that six out of seven fires begin in everyday "solid" materials such as textiles, wood, paper and plastics.

Several cases of fires being caused by battery-charging are also reported by the journal which discusses the need to restrict the concentration of hydrogen in a charging room.

Meanwhile, it may now be cheaper to repair badly burned buildings rather than to demolish and reconstruct them, according to another FPA publication, Fire Prevention Science and Technology, which describes how the Kellog factory in Manchester was reinstated in 196 days.

Attitudes are also changing to the use of automatic sprinklers. Whereas U.K. insurers have long advocated them primarily as protection for property, in the U.S. and Australia sprinklers have been recognised as making a positive contribution to the safety of life as well. This aspect of the role of sprinklers is to be discussed at the next meeting of the Fire Technology Forum.

Fire Prevention, Number 116 (£1.25); and Fire Prevention Science and Technology, Number 15 (£1). Available at Fire Protection and Information and Publications Centre, Aldermary House, Queen Street, London, E.C.4.

APPOINTMENTS

Lloyds Bank regional post

Mr. John Aeron-Thomas has been appointed to the South Wales regional Board of LLOYDS BANK which sits at Cardiff under the chairmanship of Mr. W. F. Cartwright. The appointment takes effect on January 1.

★

Mr. A. C. Copeman is to join the Board of the MOUNT LYELL MINING AND RAILWAY COMPANY as chairman on January 1 in place of Sir Brian Massy-Greene, who retires at the end of this month.

★

Mr. H. G. C. Townsend retires on December 31 from the Board of Harrisons and Crosfield. At the same time he will retire as chairman and from the Board of the SABAH TIMBER COMPANY, a subsidiary. Sir Leonard Paton also retires from the Board of Sabah on that date and Mr. J. McLeod will succeed Mr. Townsend as chairman.

★

Mr. K. A. F. Burke and Mr. J. N. Sutton have resigned from the Board of GLOUCESTER AND CHELTENHAM INVESTMENTS.

★

Mr. Norman Jones has been appointed joint managing director to STANNEYLANDS GROUP.

★

Mr. W. Bailey, managing director of Companhia de Celulose do Caima, SARL, has resigned from the Board of the parent concern, EUCALYPTUS PULP MILLS, to devote his attention to the expansion of the company's business in Portugal.

★

Mr. John P. Clay has been appointed deputy chairman of stockbrokers VICKERS DA COSTA AND COMPANY.

★

Mr. Neill H. Hill has been elected chairman and Mr. F. O. Walkling deputy chairman, of the LLOYD'S AVIATION UNDERWRITERS' ASSOCIATION for 1977.

★

Bain Dawes (International) has formed a subsidiary company called BAIN DAWES (ENERGY INSURANCE BROKERS), responsible primarily for the placing of offshore insurance. The Board consists of Mr. N. H. Matthews (chairman), Mr. M. J. Bohling, Mr. K. A. Chaplin, Mr. J. S. Dawes, Mr. E. R. Day, Mr. D. Prince, Mr. M. F. Radford and Mr. D. C. Taylor.

★

Mr. John Meeks has been appointed sales and marketing director of SIM-CHEM (Simon Engineering).

★

Mr. Nigel R. Godwin, vice-president and general manager of Security Pacific National Bank, and Mr. Harrison F. Tempest, senior vice-president and general manager of the First National Bank of Chicago, have been appointed chairman and vice-chairman, respectively, of the AMERICAN BANKS ASSOCIATION OF LONDON for 1977.

★

Mr. G. F. B. Grant has retired from the Board of the CUMULUS INVESTMENT TRUST.

★

The following EMI group changes take place from January 1. In addition to his position as managing director of EMI Social Sales, Mr. Don McCallion takes over from Mr. Bill Carpenter as managing director of EMI Social Centres. Mr. Carpenter has completed the integration of Star Bingo Clubs into the EMI group and will shortly be returning to the south of England to take up other duties. Mr. H. Simpson will be deputy managing director of EMI Social Centres and Mr. B. Duncan, catering controller, is to join the Board of that company.

EMI Social Centres will become part of the Leisure Division of U.K. Entertainments Operations and Mr. J. A. Knight, managing director of EMI Leisure Enterprises, is to be deputy chairman of EMI Social Centres, under the chairmanship of Lord Delfont.

★

Mr. J. M. S. Ekins has been appointed acting managing director of the LONDON GRAVING DOCK group. He is financial director.

★

BSG INTERNATIONAL has appointed Mr. David Valentine to the group's Automotive Component division as director of product planning and marketing. Mr. Arthur Jackson has joined the Board of Britax as director of marketing and sales.

★

Mr. E. J. Ryan, general manager of the BELLAMBI COAL COMPANY, is to join the Board. Mr. Max Radmanovich will become general manager on January 17.

★

Mr. W. F. Hawes, managing director of PYE TELECOMMUNICATIONS, is to become chairman of that company on January 1. This will coincide with him taking up wider responsibilities within the Philips and Pye Groups which will require him to relinquish his position as managing director. The present operations director, Mr. M. A. O'Loughlin, will be appointed director and general manager on that date with responsibility for the day-to-day running of the company. Dr. J. M. Westhead, at present chairman of Pye Telecoms, will relinquish that position. He is managing director of Pye TMC.

★

Mr. John A. Waage has been named vice-chairman of the Board of MANUFACTURERS HANOVER CORPORATION and its principal subsidiary, Manufacturers Hanover Trust Company, from January 1. He will have special responsibilities for credit matters. From that date Mr. Harry Taylor will become executive vice-president of MHT Co. and succeed Mr. Waage as head of the international division. Mr. Taylor has also been made a member of the general administrative Board.

★

NORTH BROKEN HILL HOLDINGS states that Mr. J. R. Finlay, at present manager, Broken Hill, and a director of the company, will move to Melbourne as an executive director on April 1. Mr. W. R. Gilfillan has been appointed manager, Broken Hill, from that date. At the same time Mr. J. P. Bills will become operations manager and Mr. A. J. Smith chief engineer at Broken Hill.

★

Mr. Paul Rivett, previously head of marketing for NATIONAL CARRIERS, has now been promoted to director of marketing. Mr. Len Maybanks becomes general sales manager.

★

M. Jean-Pierre Gres, manager of engineering subsea operations for Comex Services in Marseilles, has been appointed general manager of COMEX DIVING based in Aberdeen. He succeeds Mr. Malcolm Williams, who has resigned.

★

Mr. Ronald A. Copeman has been appointed general manager in charge of the London branch of INVESTITIONS-UND HANDELSBANK AG of Frankfurt, in succession to Mr. W. D. Wickenden, who has retired. Mr. Copeman recently retired from the Standard Chartered Bank Group.

★

Mr. Bruce Goddard has become managing director of PLESSEY PACIFIC PTY, Australia, from January 17. He has been managing director of Rola Electronics Pty since 1968. Mr. John Benson has been appointed director of personnel, PRIVATE COMMUNICATION AND DATA SYSTEMS, which is part of Plessey Telecommunications.

★

Mr. Holger Castenskiold has been appointed a director of the BANK LINE from January 1.

★

Mr. Dennis Lorton has become a director of engineering for WELLMAN MECHANICAL ENGINEERING. Mr. G. J. B. Tickell, product manager, has been appointed to the additional post of deputy sales manager.

★

Mr. Stanley Ingram has been appointed a director of HARGREAVES GROUP from January 1.

★

Mr. J. B. Downs and Mr. M. A. Harris have been elected to the Board of the PROVINCIAL BUILDING SOCIETY from January 1.

Pending dividends timetable

For the convenience of readers the dates when some of the more important company dividend statements may be expected in the next few weeks are given in the following table. The dates shown are those of last year's announcements, except where the forthcoming Board meetings (indicated thus*) have been officially published. It should be emphasised that the dividends to be declared will not necessarily be at the amounts or rates per cent. shown in the column headed "Announcement last year." Preliminary profit figures usually accompany final dividend announcements.

	Date	Announcement last year
*AVP Industries	Jan. 14	Int. 4%
*Alexanders Discount	Jan. 24	Final 12.6%
*Allied Breweries	Jan. 6	Final 15.4%
Anglo Amer.	Dec.	Dividends
Associated Fisheries	Feb. 4	Final 1%
British-American Tobacco	Feb. 3	Final 26.6%
British Sugar	Jan. 29	Final 6.5%
Brown (John)	Jan. 30	Int. 1.1
*Butterfield Harvey	Jan. 11	Int. 5.4%
Decca	Feb. 5	Int. 16.6%
Dowty	Feb. 3	Int. 8.3%
Electronic Rentals	Jan. 2	Int. 8.5%
*English China Clays	Dec. 31	Final 7.6%
Fitch Lovell	Jan. 30	Int. 9%
Gestetner	Jan. 29	Final 10.1%
Grand Metropolitan	Jan. 23	Final 6.3%
Guinness Peat	Jan. 19	Int. 18.5%
Henlys	Jan. 28	Final 27.6%
Heron Motor	Jan. 14	Int. 8.7%
Imperial Group	Feb. 8	Final 17.6%
Inchcape	Jan. 22	Int. 6%
International Timber	Jan. 27	Int. 15.8%
Lloyds Bank	Feb. 18	Final 6.2%
Lond. Merchant Securities	Jan. 19	Int. due
Lonrho	Jan. 28	Int. 5.5%
*McCorquodale	Jan. 13	Final 13.3%
*Natl. Westminstr. Bank	Mar. 1	Final 6.6%
Peachey Property	Jan. 17	Final 1.5%
Plessey	Jan. 26	Sec. Int. 6.1%
Rank Organisation	Jan. 22	Final 26.4%
Redland	Jan. 15	Int. 9.7%
Richardsons Westgarth	Jan. 22	Int. 3.1%
Samuel (H.)	Jan. 6	Int. 6.1%
*Scottish and Nwcstle Brws	Jan. 12	Int. 7.7%
*Stead and Simpson	Jan. 10	Int. 3.1%
*Stock Conversion	Jan. 12	Int. 3.7%
Tate and Lyle	Jan. 22	Int. 3.3%
Thorn Electrical	Jan. 21	Int. 12.5%
Turner Manufctrg.	Jan. 12	Final 12.5%
*Union Discount	Jan. 19	Final 15.6%
Ward (Thos. W.)	Jan. 19	Final 15%
Westinghouse Brake	Feb. 3	Final 6.5%

* Board meetings intimated. † Rights issue since made. ‡ Tax free. § Scrip issue since made from reserves

Public Works Loan Board rates

* Non-quota loans B are 1 per cent. higher in each case than non-quota loans A. † Equal instalments of principal. ‡ Equal repayments.

Effective from December 18, 1976

Years	Quota loans repaid by EIP†	by ER‡	at maturity	Non-quota loans A* repaid by EIP†	by ER‡	at maturity
Up to 5	14¼	14⅜	14⅞	15¼	15⅜	15½
Over 5, up to 10	14⅝	14¾	15⅛	15⅝	15⅝	15⅞
Over 10, up to 15	15⅛	15⅜	15⅞	15⅝	15¾	16⅛
Over 15, up to 25	15¼	15½	15⅞	16	16⅛	16½
Over 25	15⅜	15⅝	15⅞	16⅛	16½	16½

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or −	Div. Amount	Times covered	Gross Yield	P/E Ratio
—	F.P.	—	33½	28½	Utd. Technologies US$5	£33½	+⅞	Q$1.20	—	2.2	—

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price £	+ or −
‡‡	F.P.	18/2	108	97½	Adams Foods 15% Conv. 1981-83	98	.....
£94	F.P.	28/1	97½	95½	Essex Water 9% Red. Pref. 1982	97½	.....
US$100§	F.P.	—	$101	$99	Gotaverken AB 8% Guar. Notes 1982	$101	.....
US$100	F.P.	—	$99¾	$98½	Gotaverken AB 8½% Guar. Bds 1985	$99½	.....
US$100	—	—	$99	$99½	I.C.I. O'seas Finance 9% Guar. Bds 1983	$99	.....
US$100	F.P.	—	$101	$98½	Kockums Meck 8% Guar. Notes 1983	$99½	.....
KD99½	F.P.	—	KD98½	KD98	Korea Development Bk 8⅞% Guar. Bonds 1979	KD98½	.....
US$99¾	F.P.	—	$97½	$97	Korea Development Bk 9¾% Guar. Bonds 1981	$97½	.....
US$100	F.P.	—	$101	$98	Midland Int. Fin. 8⅞% Guar. Bds 1986	$98½	.....
‡‡	F.P.	1/12	71	70	Newman Inds. 10% Cum. Pref.	70	.....
$100	F.P.	—	$99½	$99	Nova Scotia (Prov. of) 9% Db. 1985	$r99½	.....
KD99	—	—	KD100	KD99	Panama (Rep. of) 8% Notes 1987	KD100	.....
US$100	F.P.	—	$101½	$99	Polysar 9⅞% Deb. Series 'D' 1986	$101½	.....
US$99½	F.P.	—	$99½	$98	Sth. of Scotland Elec. 8½% Guar. Notes 1981	$99½	.....
US$99¾	F.P.	—	$99½	$98	SodraSkogsagarna 9¼% Guar. Bds. 1986	$99¼	.....
£94	F.P.	7.1	96½	94¼	Tendring Hundred W'works 9% Red. Pf. 1981	96½	.....
US$100	—	—	$97½	$95½	Utd. Int. Guar. Float Rates Notes '81	$97½	.....
—	F.P.	7.1	75½	71	Willis Faber 7% Cum. Pref.	72	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Dates		1976 High	1976 Low	Stock	Closing Price p	+ or −
30	Nil	—	—	½	¼	Aberdeen (city of) Land Assoc.	½pm	—
54	F.P.	10/12	28/1	77½	66	Assoc. Engineering	77	−½
$A4	$A2	—	3/12	500	375	Broken Hill Props.	505	+5
62	F.P.	20/12	10/1	39	70	Chloride Group	88	.....
11	F.P.	6/12	7/1	15	11½	Cray Electronic	15	.....
100	Nil	—	—	40	35	Fiber Ind'l	35pm	−5
$A1.75	F.P.	5/12	17/12	242	183	National Bank of Australasia	240	+7
$A1.20	F.P.	18/6	—	197	138	Western Mining	144	+1

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part capital; cover based on dividend on full capital. p Pence unless otherwise indicated. u Forecast dividend: cover based on previous year's earnings. g Figures based on prospectus or other official estimate for 1976. ‡ Gross. r Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ‡‡ Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 290 S.Afr. cents. ‡ Rights by way of capitalisation. †† Tender allotment price. ♣ Introduction. ◆ Issued in connection with reorganisation, merger or take-over. ◆ Reintroduced. ‡ Issued to former Preference holders. ‡ Allotment letters (or fully-paid). † provisional or partly-paid allotment letters. ★ With warrants. ⊕ After suspension. KD Kuwait Dinar.

Money and Exchanges

Bank of England Minimum Lending Rate 14¼ per cent. (since December 24, 1976)

The London money market was faced with an acute shortage of funds last week, a shortage that precipitated record loans to the discount houses by the Bank of England on Monday, and an overnight interbank rate of up to 300 per cent. on Wednesday. One of the larger factors contributing towards such tight conditions was the amount of official gilt-edged sales made last week, resulting in extremely large assistance being given by the authorities. Tuesday saw a large amount lent to the discount houses at Minimum Lending Rate for repayment in eight days. This move, repeated in the shape of a moderate seven-day loan on Wednesday and small advances on Thursday over one week, gave a clear indication of the Bank's desire not to see a drop of possibly more than ¼ per cent. in MLR on Friday.

Other forms of assistance included large purchases of Treasury bills as well as local authority bills and eligible bills.

The short trading session on Friday gave rise to another shortage, being relieved by extremely large loans to nine or ten houses for repayment to-day, and also some small purchases of Treasury bills by the authorities. It appears likely that some surplus of funds may be carried over to to-day.

At the weekly Treasury bill tender, the bill rate fell by 0.1468 per cent. to 13.6100 per cent. and the Bank of England Minimum Lending Rate was reduced by ¼ per cent. to 14¼ per cent. The minimum accepted bid was £96.60½ compared with £96.57 previously, and bids at that level were met as to about 25 per cent. The £300m. bills tendered and allotted attracted bids of £1,242.73 compared with £1,304.29 for the same number of bills the week before.

All bills tendered were allotted and this week £300m. will replace maturities of £400m.

One year local authority bonds were placed during the week at par with a coupon of 13⅞ per cent., a fall of ⅛ per cent. over the previous week's batch.

Ahead of the Christmas holidays and the new year, activity in the foreign exchange market was generally restricted. Sterling ended the week on a much happier note gaining 1.95 cents on the U.S. dollar to finish at $1.6900-1.6910, the highest close for three months. This included a half-cent rise on Friday although during the latter part of the week market conditions became very thin thus exaggerating the effect of the small trading volumes. The trade weighted average depreciation of the pound, as calculated by the Bank of England, narrowed to 44.4 per cent. at the final calculation at noon on Friday, compared with the previous week's close of 44.9 per cent.

The U.S. dollar remained depressed partly due to the easier trend in Euro-dollar interest rates although some European central banks tried to steady the market which was reacting to some degree of speculation. In terms of the West German mark, the dollar finished at DM2.3675 from DM2.3845 the week before.

Dec. 24 1976	Sterling Certificates of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposit	Company deposits	Discount market deposits	Treasury bills ⊕	Eligible Bank Bills ⊕	Fine Trade Bills ⊕
Overnight	—	14½-16½	—	—	—	15	14-15	—	—	—
2 days notice	—	—	15½-16¼	—	—	—	—	—	—	—
†7 days or 7 days notice	—	15¾-16	15¾-16¼	—	15⅝-16	—	14¼-14½	—	—	—
One month	15¼-14⅞	15-15¼	15½	16¾-16½	15⅝-16⅜	15⅝	14¼	13⅝-13 7/16	15⅛-15	15½
Two months	14⅞-14¾	14¾-15	—	16½-16½	15½-15¾	—	14	14⅞	14⅝-14 7/16	16¼
Three months	14 7/16-14	14⅛-14¼	14⅞-15	15⅝-14¾	15-15¼	—	13½	13 11/16-13	14⅞-15	15
Six months	13 11/16-13⅝	13½-13⅝	14½-14⅝	14⅛-13¾	14⅜-15	—	—	—	13⅛-13	15
Nine months	13⅝-13¼	13⅛-13¼	—	14-13⅝	15	—	—	—	—	—
One year	13¼-13⅛	13⅛-13¼	15-15½	13⅞-13⅝	15	—	—	—	—	—
Two years	—	—	15-15⅝	—	—	—	—	—	—	—

Local authority and finance houses seven days' notice. Others seven days' fixed. *Long-term local authority mortgage rates nominally three years 14¾ per cent.; four years 14⅞ per cent.; five years 14½-14¾ per cent. ⊕Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13 15/16-13 5/16 per cent.; four-month trade bills 15 per cent.

Approximate selling rate for one-month Treasury bills 13 9/16-13 7/16 per cent.; two-month 13 19/32-13 7/16 per cent. and three-month 13 9/16-13 7/16 per cent. Approximate selling rate for one-month bank bills 14¾-14½ per cent.; two-month 14½ per cent.; and three-month 13⅞ per cent.; one-month trade bills 14¾-14½ per cent.; two-month 14¾-14½ per cent.; and also three-month 14½-14¼ per cent.

Finance House Rates (published by the Finance Houses Association) 15 per cent. from December 1, 1976. **Clearing Bank Deposit Rates** for small sums of seven days' notice 11 per cent. **Clearing Bank Base Rates** for lending 14 per cent. **Treasury** bill average tender rates of discount 13.6100 per cent.

EXCHANGE CROSS-RATES

Dec. 28	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	2.357 359	47.47-62	6.65-.66	3.995-4.01	95.72 .87	96 32 47
N. York	42.55-27	—	†20.04-07	†2.75-76	†1.6885-915	†40.39-.41	†40.64-87
Paris	21.15-1 91	4.961-71	—	13.775-807	8.45-45	201.7 2.10	203.1-.52
Brussels	15.57-31	36.00 05	7.25-47	—	61 11.27	14.66 73	14.71 76
London	†4.00-.01	†1.6891	†8.415 425	†61.20-.40	—	†4.18-19	†4.137 147
Am'rd'm	104.36-42	2.489 462	49 62 67	6.822 827	4.173-184	—	100 67 72
Zurich	103.68 82	2.447-448	49 24 .39	6.787 80	4.153-169	99 3-.38	—

U.S.$ in Montreal. U.S.$=101.24-28 Canadian cents.
Canadian $ in New York. C$=198.62-66 U.S. cents. U.S.$ in Milan 874.75-876.75
Sterling in Milan 1486.20-1487.45. †Rates effective for Dec. 24.

EURO-CURRENCY INTEREST RATES*

Dec. 24 1976	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
†Short term	18 18½	4⅝-4⅞	7½-8½	7⅝-7⅞	5¾-6	½-Par
7 days notice	18½-19	4¾-5	7½ 8½	7⅝-7⅞	6-6½	1¼-1½
Month	16⅛-16⅝	4⅞-5⅛	8-8½	6⅝-6⅞	5⅛-5¼	1¼-1⅞
Three months	15¾ 16¼	5-5¼	8-8⅜	6⅛-6¾	4½-5	1½-2
Six months	15⅛ 15⅝	5¼-5½	8⅛-8½	6⅝-6⅞	4¾-5	2⅜-2½
One year	14⅝-15⅛	5½-5¾	8⅛-8½	6⅛-6⅜	4¾-5	2½-2¾

Euro-French deposit rate: two-day 11½-11¾ per cent.; seven-day 11½-11¾ per cent.; one-month 12½-12¾ per cent.; three-month 12½-12¾ per cent. six-month 12½-12¾ per cent.; one year 12½-12¾ per cent.

Longer-term Eurodollar deposits: two years 6¾-6⅞ per cent.; three years 6¾-7 per cent.; four years 7¼-7⅜ per cent.; five years 7½-7⅝ per cent.

The following rates were quoted for London normal certificates of deposit: one-month 4⅞-5 per cent.; three-month 4⅞-5 per cent.; six-month 5 1/16-5 3/16 per cent.; one year 5 5/16-5 7/16 per cent.

*Rates are nominal closing rates.

†Short-term rates are call for sterling, U.S. dollars and Canadian dollars: two days' notice for guilders and Swiss francs. ‡Following 17.5 per cent., devaluation "dis" Discount.

GOLD MARKET

	Dec. 24	Dec. 23
Gold Bullion (a fine ounce) Close	$132¾-133½	$132¼-133
Opening	$132¾-133½	$133¼-134
Morning fix'g	$133.05 (£78.774)	$132.90 (£78.725)
Afternoon fix'g	—	$132.35 (£78.360)
Gold Coins* domestically Krugerrand	—	$136-138 (£81-82)
New Sov'r'gns	—	$46½-48½ (£27¾-28¾)
Old Sov'r'gns	—	$44½-46½ (£26¼-27¾)
Gold Coins* internationally Krugerrand	—	$136-138 (£81-82)
New Sov'r'gns	—	$46-48 (£27½-28½)
Old Sov'r'gns	—	$42¼-44¼ (£25-26)
$20 Eagles	—	$219-222

* Rates for Dec. 24 were not quoted.

SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	Dec. 27	Dec. 23
Sterling	—	0.687521
U.S. dollar	1.16037	1.15916
Belgian franc	—	41.9645
Deutschemark	2.74602	2.74779
French franc	5.78169	5.77378
Italian lira	1015.32	1003.11
Japanese yen	340.220	340.387
Dutch guilder	2.86727	2.86834
Swedish krone	4.79929	4.80356
Swiss franc	2.84001	2.83936

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

FOREIGN EXCHANGES

Dec. 24 1976	Bank Rates %	Market Rates Day's Spread	Close
New York	5¼	1.6855-1.6915	1.6900-1.6910
Montreal	8½	1.7070-1.7135	1.7120-1.7150
Amsterdam	8	4.18¼-4.19½	4.18-19
†Brussels	9	61.00-61.50	61.20-61.40
Copenhagen	10	9.77-.80	9.78-.79
Frankfurt	3½	3.99¼-4.01½	4.00-4.01
Lisbon	8½	53.15-53.40	53.20-53.40
Madrid	7	115.25-115.75	115.50 115.70
Milan	15	1,460-1,470	1,462-1,467
Oslo	6	8.76-8.78	8.77-.78
Paris	10½	8.40-8.45	8.41½-.42½
Stockholm	8	6.96-7.01	6.99¾-7.00¼
Tokyo	6½	490-500	494-9
Vienna	4	28.20-28.50	28.35-.45
Zurich	2	4.12½-4.15½	4.13½-4.14½

* Basic discount. · Rates given are for convertible franc. ‡ Financial franc 61.10-

OTHER MARKETS

			Notes Rates
†Argen's	458.19-458.83	Argentine	360-450
Australia	1.5420-1.5560	Austria	27½-29
Brazil	20.67-20.87	Belgium	60-62
Finland	6.58-6.60	Brazil	24½-25
Greece	61.462-62.011	Canada	1.71-1.72
Hong Kong	7.9475-7.9750	Denmark	9.65-9.85
Iran	117-121	France	8.30-8.50
Kuwait	0.478-0.488	Germany	3.98-4.10
Luxembg.	61.20-61.40	Greece	68-72
Malaysian	4.2565-4.2660	Italy	1440-1480
N. Zealand	1.7775-1.7350	Japan	490-510
Saudi Arab	5.90-6.00	Netherl'ds	4.5-4.2
Singapore	4.1345-4.1490	Norway	8.60-8.80
S. Africa	1.4594-1.4755	Portugal	55-57
U.S.-		Spain	111¾-115½
Canada		Switz'l'nd	4.05-4.20
C$1-		U.S.	1.68½-70½
U.S. cents	98.70-98.73	Yugoslav	32½-34½

† Rate given is free rate.

FORWARD RATES

	One month	Three month
New York	1.80-1.70 c. pm	4.50-4.40 c. pm
Montreal	1.35 1.25 c. pm	5.25-3.15 c. pm
Amst'dam	4⅛ 3⅛ c. pm	10-9 c. pm
Brussels	25-15 c. pm	75-55 c. pm
Cop'nhg'n	3½-1½ ore pm	3¼-1¼ ore pm
Frankfurt	4⅜ 3⅜ pf. pm	11-10 pf pm
Lisbon	2 c.pm-22c. dis	par-100 c. dis
Madrid	95-185 c. dis	445-545 c. dis
Milan	20-40 lire dis	70-90 lire dis
Oslo	5½-3½ ore pm	14¾-12¼ ore pm
Paris	13¾-2¾ c. pm	7½-6½ c. pm
Stockh'lm	5-1 ore pm	7-5 ore pm
Vienna	28-18 gro pm	65-58 gro pm
Zurich	5¼ 4¼ c. pm	14⅛-13⅛ c. pm

Six-month forward U.S. dollar 7.85-7.75 cpm and 12-month 13.65-13.55 cpm.

WALL STREET + OVERSEAS MARKETS + LATEST PRICES

Dow near 1,000 in holiday rally

BY OUR WALL STREET CORRESPONDENT

NEW YORK, Dec. 28.

THE POST-CHRISTMAS rally moved into its second day, but at a much slower pace than in the previous session. Most of the strength was attributed to seasonal influences and hopes that America's economic climate is improving.

The Dow Jones Industrial Index was up 3.31 at lunchtime touching 989.42. Transports were up 0.58 to 233.93. Utilities rose 0.51 to 105.76. And Stocks put on 1.08 to 522.13.

Among issues advancing a point or more were Singer up $1½ at $19½, and Revlon ahead $1¼ at $43⅞.

Fractional gainers on the most active list included Fannie Mae up 25 cents at $17¼, Allis Chalmers 50 cents up at $25, Standard Oil of California ahead $½ at $40¼, Chrysler $¼ higher at $20⅞, and Dow Chemical 25 cents better at $41¼.

IBM, which had been up more than a point early in the session, showed a net gain of 25 cents. However, U.S. Steel surrendered 50 cents at $49⅞.

Prices on the American Stock Exchange pointed higher, with the Amex index up 0.60 at 106.31. Turnover approximated 1.55m. shares.

Houston Oil and Minerals gained 50 cents to $46½, but Syntex backed off ½ to $22⅞.

Cook Industries fell 75 cents to $1¼. The company reported a loss for the second quarter compared with a profit a year earlier.

Avon Products rose $1 to $49, while Occidental Petroleum, among the volume leaders, added ⅛ at $24⅞. General Motors also edged higher.

Ingersoll-Rand, a strong performer, gained $1½ to $73⅞. Also up a point or more were American Brands and Revlon, up $1½ to $43⅞.

OTHER MARKETS

Canada higher

Canadian stocks tended firmer yesterday, the advance being spearheaded by the Toronto Industrial Index which put on 1.24 to 178.25. Western Oils showed only a 0.31 advance by noon to 223.94 but Base Metals climbed 0.52 to 80.63. Golds, however, lost 4.29 to 290.61.

Falconbridge Nickel climbed $1 to $35¼, and Inco "A" was up ⅜ at $32⅞. Dupont Canada and Union Carbide Canada both added 50 cents at $13½ and $18½ respectively. Stelco "A" and Dofasco "A" were both quoted 50 cents higher at $25 and $26¼ respectively.

Canadian Imperial rose 50 cents to $23⅞. Royal Bank and Bank of Nova Scotia were up 25 cents at $26⅞ and $20⅞ respectively. Bank of Montreal remained unchanged at $14½. However, noon volume totalled only 938,338, compared with 539,487 issues at noon on Monday.

In Montreal, the Industrial Index climbed 1.48 to 179.06 and Banks rose 4.21 to 238.74. Utilities gained 0.70 to 148.28 and Papus advanced 0.18 to 109.62.

Among hte actives, Consumer Gas—the most active industrial—rose ⅛ to $14½ and Alcan climbed ⅛ to $24. Bell Canada rose ⅛ to $48⅞ and Imperial Oil "A" gained ⅛ to $22½. Inco "A" was up ⅜ at $32⅞ and Texasgulf put on ⅞ to $29⅞.

Provincial Bank of Canada was off ⅛ at $12⅞, while Bank of Nova Scotia jumped 50 cents to $20⅞.

PARIS — The market was generally firmer in quiet trading and all sectors advanced especially Construction equity. However, Banks were mixed. Americans and Canadians were also mixed despite the strong advance of ITT. Germans were firmer, Dutch issues and Oils ruled steady while Belgians were slightly easier.

Chargeurs Reunis put on Frs.15 to Frs.183 while Michelin "B" advanced Frs.34 to Frs.1244. Aquitaine and Correfour were also firm spots. Moet Hennessy gained Frs.10 to Frs.435 and Sacilor was ahead Frs.4.9 by the close.

BRUSSELS — There was a majority of rises in quiet, pre-holiday trading. Gains included Cobepa, Union Miniere, Cometra, Finoutremer, CBR and GB-Inno-BM, which announced a scrip issue.

Falls included Sidro, UCB and Arbed. There was no movement in Hoboken shares despite the recommended higher dividend and Cockerill was unaffected by forecasts of a further large loss.

Foreign issues were mostly higher, while Golds were narrowly mixed. U.S. Petrofina eased, but Petrofina and Canadian Petrofina firmed. La Royale Belge lost Frs.40 to Frs.4,460 but Glace St. Roch put on Frs.50.

AMSTERDAM — Most Dutch stocks closed a little higher on Tuesday, but trading was slow. Royal Dutch gained Fl.1.50 at Fl.128.30. Unilever closed at Fl.120.30 up 40 cents. Philips was Fl.26.10 up 80 cents.

Shipping stocks did well: KNSM-Group gained Fl.1 at Fl.138.50, and Ship-Union was Fl.117.70 up 80 cents. Banks did a little better and so did local stocks. KLM gained Fl.3 at Fl.93.00, Ahold lost 20 cents at Fl.85.80 and VMF Stork lost Fl.4.50 at Fl.70.20. Bonds were mixed. A total of 271 stocks were traded of which 142 closed higher, 63 lower and 66 were unchanged.

FRANKFURT—Shares were higher with isolated issues showing strong gains. Small chemical concerns led the rally posting gains on the average of DM3. Motors were strong and Banks firm. The Commerzbank index was up to 730.2 against 726.6 previously.

ZURICH—Gains dominated on the Zurich Stock Exchange outnumbering losses 61 to 14 in very active trading. The Swiss Credit Bank stock index rose 1.9 to 217.5 — the highest level of the year. A dealer explained that it was hoped the Dow Jones index would be beyond 1,000.

In the banking sector, Union Bank of Switzerland was the main gainer. It closed at Frs.3,295, up Frs.50. Elektrowatt rose Frs.50 to Frs.1,680, Swiss Re-insurance Bearer put on Frs.50 to Frs.4,350. Zurich Insurance gained Frs.100 to Frs.6,550, Ciba-Geigy Bearer advanced Frs.35 to Frs.1,410 and Sandoz Registered was up Frs.35 at Frs.2,060.

MILAN—Share prices declined on profit-taking in active trading. Losses averaged 2.5 per cent with some Blue Chips losing as much as 4 to 5 per cent. A late rally failed to reverse the trend but did lift some issues. La Centrale lost L380 to L7,300 and Ciga fell L85 to L1,550.

STOCKHOLM—The market was maintained although Billerud and SKF were weak. Cellulosa, Granges and Enskilda were all firm.

COPENHAGEN—Mostly maintined although Berandsen was a weak spot.

OSLO—Firmer led by Kosmos and Orkla Indust.

VIENNA—Firm with Selecta a strong feature.

TOKYO — The outstanding balance of buying in margin trading overshadowed the market. The election of Mr. Takeo Fukuda as Japan's new Prime Minister affected the market little as this has already been discounted in the recent rise. Prices were only slightly changed either way in moderate trading.

JOHANNESBURG—Gold shares traded quietly on the Johannesburg Stock Exchange reflecting the holiday period and the London closure. Among Heavyweights Free State Geduld at R.17.20 and St. Helena at R.18.50 were unchanged. Coppers were mixed with Messina up 5 cents at R.2.30 while Platinums were steady with Rustplat unchanged at R.1.37. Financial Minings were also steady with Anglo American unchanged at R.24.50.

The Industrial stock market was marginally firmer.

AUSTRALIA — The market closed quiet on Christmas Eve with only a selected group of stocks attracting attention. Hooker recovered a further two cents to 70 cents while IAC was steady at 69 cents. BHP dipped 6 cents to $A7.40. Stores and Banks were quiet and steady.

A few mining stocks attracted support — BH South, MIM, and Utah advanced in spite of the further up-valuation of the Australian dollar.

Hasselblad founder sells

BY WILLIAM DULLFORCE

STOCKHOLM, Dec.

HASSELBLAD, the Swedish quality camera manufacturer, is being bought by the Säfveaan Investment Company for a price of Kr.28m. (£4m.), it was announced in Gothenburg. Hasselblad, whose cameras are used by American spacemen, is solely owned by its founder, Dr. Victor Hasselblad, 70, who is retiring and wants his company to remain in Swedish hands.

It has a turnover of some Kr.110m. (£15.8m.), had estimated pre-tax earnings of around Kr.6m. in 1974-75 and probably more in 1975-76. Founded in 1941 to make aircraft reconnaissance cameras for the Swedish air force, it now exports 96 per cent. of its expensive single-lens reflex cameras, some of them are on the moon, left behind by American astronauts.

Säfveaan, the purchaser, is a Gothenburg-based investment company which over the last few years has expanded from its original trading, financing, property and construction interests into manufacturing. It had a turnover last year of Kr.828m. (£119m.) and pre-tax earnings of Kr.18.7m.

Mr. Bengt Dunér, the managing director, said that the Hasselblad acquisition would strengthen his company's industrial interests. The price was right, Hasselblad was well managed and financially solid.

Säfveaan is paying one-third of the Kr.28m. buying price in shares, one-third in cash and one-third in promisory notes. The share issue will make Dr. Hasselblad the largest shareholder in Säfveaan with 4.5 per cent.

The investment company is proposing at the same time to expand its equity base by new and bonus share issues. The new issue of one-for-three at a price of Kr.75 will bring in just over Kr.30m. It will be followed by a bonus issue of one-for-five, in which the new shares will be entitled to participate, taking Säfveaan's share capital to just over Kr98m.

The Board has undertaken to pay a dividend of Kr5 per share in 1977 or the same as paid on the smaller share capital last year. No mention was made of the 1976 dividend.

* * *

St. Gobain, the French conglomerate, has received the go-ahead from the Swedish government for the merger of its glassmaking interests with those of Granges, the Swedish heavy industry group. The two groups will set up a holding company, based in Copenhagen, with St. Gobain taking a 51 per cent. share against 45 per cent. for Granges' Danish subsidiary, Scanglas, and four per cent. for the Norwegian Christiania Glasmagasin.

The St. Gobain-Granges fusion is intended to counter Pilkington Brothers' attempt to take over the major pa[illegible] of the [illegible] flat glass mark[illegible] through [illegible] new float-glass [illegible]lant at [illegible]stad, Sweden, w[illegible]ch starte[illegible] duction earlier this yea[illegible] means in effect at the m[illegible] company's produc[illegible]on will b[illegible] centrated on Gr[illegible]ges' pla[illegible] Korsoer in Denm[illegible]k.

St. Gobain ne[illegible]ed Sw[illegible] Government appro[illegible]al becau[illegible] the guarantee it ga[illegible] to ma[illegible] employment at Emmaboda. It took a 90 per ce[illegible] hold[illegible] the glass works the[illegible] in[illegible] The minister of [illegible]dustry Nils Aasling, has no[illegible] agre[illegible] the closing down o[illegible] flat production at the Emm[illegible] works in return for the [illegible]tion by St. Gobain o[illegible] de[illegible]ment company to [illegible]p [illegible] new jobs in the town[illegible]p.

The development co[illegible]pan[illegible] have Kr.5m. (£715,000 capi[illegible] undertake technical, eco[illegible] and marketing analyses of [illegible] tial new investment p[illegible]e[illegible] Emmaboda, where som[illegible] 20[illegible] ployees will lose th[illegible] through the closure of a[illegible] production.

Shop stewards at th[illegible] E[illegible]boda works, which retai[illegible] a processing plant, have b[illegible]n critical of the St. Gobain-[illegible] merger and in particular [illegible] decision to locate the [illegible] company in Denmark. Ye[illegible] however, the Swedish [illegible] minister said St. [illegible] development company co[illegible] the pattern for other co[illegible] faced with similar restru[illegible] problems.

Unions seek Varley talks in Danish contract row

BY OUR SOUTH SHIELDS CORRESPONDENT

MR. ERIC Varley, the Industry Secretary, has been brought into the row over a large ferry conversion contract placed by British Rail in Denmark.

Mr. Bill Porter, Wear district secretary of the Confederation of Shipbuilding and Engineering Unions, has asked Mr. Varley to meet North-East union leaders to discuss the matter in the light of past promises to help U.K. ship-repair yards, which are short of work.

Last week it was learnt that British Rail had placed a contract with the Aalborg shipyard for major alterations in the 3,600-ton cross-Channel ferry Dover to improve its roll-on/roll-off capability. The Danish yard quoted a figure more than £1m. lower and a faster delivery date than the best British tender.

Workers at the Swan Hunter ship-repairers, North Shields, one of three U.K. companies to tender for the job, have already protested to Mr. Albert Booth, the Employment Secretary, and the Northern group of Labour MPs.

New Heathr[illegible] to Newquay air link soon

BRYMON AIRWAYS, th[illegible] Country airline based [illegible] mouth Airport, is starting service between He[illegible] (London) and Newquay January 1.

Using a twin-engined Herald, it will make two a day in each direction. Heathrow at 09.20 and 18.[illegible] leaving Newquay at 07.[illegible] 16.30.

Brymon already runs services between Pl[illegible] (where a new 8,000 metr[illegible] runway is about to com[illegible] use), the Channel Isles an[illegible] and Continental destinati[illegible] cluding Brittany and Nor[illegible] Normandy.

Indices

NEW YORK - DOW JONES

	Dec. 27	Dec. 22	Dec. 21	Dec. 20	Dec. 17	Dec. 16	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrials	985.62	964.54	976.39	972.41	973.06	981.50	1014.79 (21/9)	858.71 (2/1)	1061.70 (11/1/73)	41.22 (8/7/32)
H'me Bnds*	92.27	92.00	91.69	91.66	91.96	92.02	92.27 (23/12)	85.68 (13/7)	—	—
Transport	231.97	233.75	234.67	233.62	234.87	234.58	235.73 (22/12)	175.6 (2/1)	279.88 (7/2/69)	13.26 (8/7/32)
Utilities	104.72	104.92	104.37	105.13	105.15	105.19	105.86 (15/12)	84.8 (26/6)	163.32 (20/4/65)	10.58 (28/4/42)
Trading vol. 000's	24,955	26,970	24,220	20,690	23,970	26,920	—	—	—	—

* Basis of index changed from July 1.

	Dec. 3	Nov. 26	Nov. 22	Year ago (approx.)
Ind. div. yield %	4.30	4.26	4.24	4.57

STANDARDS AND POORS

	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 17	Dec. 16	1976 High	1976 Low	Since compilation High	Since compilation Low
*Industrials	118.56	118.52	115.73	115.09	115.78	118.56	120.6 (21/9)	101.64 (2/1)	134.54 (11/1/73)	3.52 (30/6/32)
Composite	104.64	104.71	104.22	103.85	104.28	104.80	107.86 (21/9)	91.30 (2/1)	120.24 (11/1/73)	4.40 (1/6/32)

	Dec. 15	Dec. 8	Dec. 1	Year ago (approx.)
Ind. div. yield %	3.70	3.73	3.78	3.76
Ind. P/E Ratio	11.39	11.27	11.13	12.31
Long Gov. Bond yield	5.35	5.24	5.28	6.05

N.Y.S.E. ALL COMMON

Dec. 23	Dec. 22	Dec. 21	Dec. 20	1976 High	1976 Low
58.49	56.44	56.17	55.90	57.51 (21/9/76)	47.06 (2/1/76)

Rises and Falls	Dec. 23
Issues Traded—1,951	Up—724
Down—789	Same—438
New Highs 104	New Lows 2

MONTREAL	Dec. 23	Dec. 22	Dec. 21	Dec. 20	1976 High	1976 Low
Industrial	175.67	173.99	170.39	168.64	207.55 (19/01)	161.34 (30/11)
Combined	175.93	174.68	170.92	169.42	199.78 (20/6)	162.18 (30/11)
TORONTO Industrial	175.16	174.22	170.24	168.65	197.43 (20/2)	162.72 (30/11)
JOHANNESBURG Gold	168.3	168.7	168.9	166.6	228.7 (12/5)	115.6 (5/3)
JOHANNESBURG Industrials	182.0	181.7	180.9	180.5	216.0 (21/6)	175.8 (30/11)

	Dec. 28	Previous	1976 High	1976 Low
Australia (a)	—	450.50	522.83 (19/8)	404.29 (26/11)
Belgium (b)	—	84.63	115.12 (5/2)	87.13 (26/10)
Denmark (d)	92.82	99.02	117.70 (19/3)	96.46 (1/12)
France (e)	65.9	65.1	74.3 (2/3)	51.6 (1/12)
Germany (f)	730.2	726.6	821.7 (17/5)	627.7 (29/10)
Holland (g)	81.6	81.2	105.3 (15/2)	77.9 (15/10)
Hongkong (h)	441.46	439.26	465.35 (17/5)	354.53 (2/1)
Italy (k)	—	74.55	91.37 (23/2)	64.93 (10/11)
Japan§ (m)	376.15	375.07	376.07 (23/12)	326.28 (6/1)
Singapore (n)	—	252.81	228.16 (5/2)	236.55 (2/1)

	Dec. 28	Previous	1976 High	1976 Low
Spain (p)	71.76	71.76	100.79 (7/0)	71.76 (25/12)
Sweden (q)	389.28	389.86	476.95 (10/6)	366.31 (5/11)
Switz'rl'd (r)	—	278.4	298.6 (12/3)	261.5 (17/11)

Indices and base dates (all base values 100 except NYSE All Common—50, and Standards and Poors 10; (a) Sydney All Ord. (b) Belgian SE 31/12/63. (d) Copenhagen SE 1/1/73 (e) Paris Bourse 1961. (f) Commerzbank December, 1953. (g) Amsterdam Industrial 1970. (h) Hang Seng Bank 31/7/64. (k) Milan 2/1/73. (m) Tokyo New SE 4/1/68. (n) Straits Times 1966. (p) Madrid SE 31/12/75. (q) Stockholm Industrials 1/1/58. (r) Swiss Bank Corp. 31/12/58. (u) Unavailable. ‡ Excluding bonds. * 400 Industrials. † 400 Inds., 40 Utilities, 40 Finance and 20 Transport. (c) Closed.

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1 — 129½% (125%)

NEW YORK

[illegible]

CANADA

[illegible]

GERMANY ◆

Dec. 28	Prices Dm	+ or —	Div. %	Yld. %
A.E.G.	82.9	+0.6	—	—
Allianz Versich.	418	+5.9	18	2.0
B.M.W.	223.5	+3.5	18	4.2
B.A.S.F	108.7	+0.8	14	4.5
Bayer	134.9	+0.1	14	5.2
Bayer Hypo.	283		20	5.6
Bayer Vereinsbk.	284	+1.5	20	2.9
Commerzbank	189.5	+1.0	18	4.7
Conti. Gummi	68.0	+1.0	—	—
Daimler	357		17	2.9
Degussa	233.80	+5.3	15	3.8
Demag	148.5	0.6	16	5.7
Deutsche Bank	285.2	+1.2	20	3.5
Dresdner Bank	227.9	+2.8	20	4.3
Dyckerhoff Zemt.	125	+2.0	6	2.5
Gutehoffnung	177.5	+0.2	14	4.0
Hapag Lloyd	103	—2	12	5.9
Harpener (Dm100)	147		9	6.1
Hoechst	136.3	+0.8	14	4.8
Hoesch	45	+0.2	—	—
Kali Salz (Dm50)	102	+0.5	7	3.5
Karstadt	343	+6	y20	2.7
Kaufhof	210	+4	20	4.9
Klockner (Dm100)	90	+0.5	—	—
Kloch Humbolt	141.5	+0.3	10	3.6
Krupp Ptl (Dm100)	101.5	+0.5	—	—
Kundenkredit Bk	247		20	4.3
Linde	209	+1	16	4.1
Lowenbrau Dm100	1,870		20	1.0
Lufthansa	91	+1	4	2.3
M.A.N.	163	+1	12	3.5
Mesmann Dm 50	176.7	+1.7	7	4.1
Metallgesellschaft	217	+7	10	—
Munch. Ruckvers	416	+2.5	18	2.2
Neckermann	43.5	—1.0	y—	—
Preussag Dm. 100	138.5	+0.5	7	4.9
Rhein West Elect.	165	+2.5	17	5.0
Schering	295	+3.5	20	3.3
Siemens	264.5	+1.5	16	2.7
Sudzucker	241	—4	19	3.6
Thyssen	112.8	+0.8	14	6.1
VereinS. West Bk	308		20	2.9

MILAN

Dec. 28	Price Lire	+ or —	Div. Lire	Yld. %
Alitalia Priv.	472	+11	—	—
ANIC	416	+6	—	—
Ausmia Fin.	2,860	—180	120	5.1
Bastogi	937	+13	—	—
Breda	1,960	—19	105	5.4
Burgo	3,2[illegible]0		—	—
Cantoni	5,751	—49	—	—
CIGA	1,55[illegible]	—85	—	—
Cucirini	4,35[illegible]		255	5.3
Dalmine	664	—5	75	1.1
Erba	1,780	+32	—	—
Fiat	2,095	—45	100	4.8
Do. Priv.	1,340	—20	100	3.7
Finsider	222	—1	—	—
Generali	39,700	—460	500	12.9
Invest B.	2,[illegible]90	+15	80	4.0
Italcementi	14,510	+16	300	2.4
Italgas	710		—	—
Italsider	5[illegible]6	+1	60	1.9
La Centrale	7,300	—380	400	5.4
Marelli Ercole	345	—6	—	—
Mediobanca	73,2[illegible]0	—380	1,200	1.2
Mondadori Priv.	915	—76	—	—
Montedison	361.5	+5.5	—	—
Olivetti Priv.	1,027	—68	70	6.8
Pirelli & C.	2,209	—47	110	5.5
Pirelli Spa.	1,459	—42	—	—
RAS	67,100	+550	600	1.1
Rinascenti	69.5	—1	—	—
Rumianca	1,78	—18	—	—
S.A.P.F.A.	5,191	—119	200	3.6
S.T.E.T.	1,421	—6	180	1.2
Snia Viscosa	1,126	—14	—	—
Soc. Gen. Immob.	135.00	—2.75	—	—
Unidal	321	—9	—	—

PARIS

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

AMSTERDAM

[illegible]

SWITZERLAND

[illegible]

COPENHAGEN

[illegible]

VIENNA

[illegible]

AUSTRALIA

[illegible]

TOKYO

[illegible]

STOCKHOLM

[illegible]

OSLO

[illegible]

BRAZIL

Dec. 27	Price Cruz	+ or —
Banco Brasil PP	3.28	—1.63
Belgo Mineira OP	2.70	
Brahma PP	1.45	—0.03
Docas Santos OP	0.90	+0.01
Docas Amer OP	4.10	—0.08
Petrobras PP	2.13	—0.02
Samitri OP	3.13	—0.07
Mannesman OP	2.25	+0.05
Souza Cruz OP	2.80	—0.06
Vale Rio Doce PP	2.43	—0.04

Vol. Cr.55.9m. Shares 29.9

Source: Rio de Janeiro SE

JOHANNESBURG

[illegible]

SPAIN ▼

[illegible]

AUTHORISED UNIT TRUSTS

Framlington Unit Mgt. Ltd. (a)
5-7, Ireland Yard, EC4B 5BH. 01-248 6971

Capital Tst.	56.4	59.8	....	4.02
Income Tst.	51.8	55.0	....	9.72
Int. Growth Fd.	59.0	62.6	....	3.65
Do. Accum.	59.0	62.6	....	3.65

Friend's Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Uts.	27.0	28.8	....	5.97
Do. Accum.	33.1	35.4	....	5.97

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OVERSEAS FUNDS

REGIONAL MARKETS

A selection of the share prices previously shown under regional headings is listed below with quotations on London. Irish issues, most of which are not officially listed in London, are shown separately and with prices as on the Irish exchange.

						IRISH		
Ins. 20p	16		Higsons Brew	68		Conv 9% '80/82	£81¾	
Spinning	32		I.O.M. Stm. £1	140		Alliance Gas	47	
	21		Holt (Jos.) 25p	190		Arnott	185	
Ktr. 50p	126		Kleen-e-Ze	37		Carroll (P.J.)	95	
Croft	23		Lovell's Ship £1	180		Clondalkin	27	
Rose £1	350		Nthn. Goldsmith	22		Concrete Prods.	42	
R.A.	18		Pearce (C. H.)	85		Heiton (Hldgs.)	21	
McLldy.	60		Peel Mills	11		Ind. News	37	
Pk 10p	25		RobbCaledon5h	46		Ins. Corp.	148	
	9		Sayers 12½p	15		Irish Distillers	[illegible]	
	49		Sheffield Brick	65		Irish Ropes	93	
Pks. 5p	16		Sheff. Refrshmt.	140		Jacob	40	
Ship £1	300		Shiloh Spinn	21		Sunbeam	11	
Price 10p	6		Sindall (Wm.)	49		T.M.G.	75	
						Unidare	44	

World Wide Growth Management
10a, Boulevard Royal, Luxembourg.
WorldWideGth.Fd. | $US12.01 | ... | —

NOTES

Prices do not include $ premium where applicable and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of U.K. taxes. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥Net of tax on realised capital gains unless indicated by ◆. †Guernsey gross. ‡Suspended. ◆Yield before Jersey tax. ‡Single premium insurance bonds.

WEEK'S FINANCIAL DIARY

The following is a record of the principal business and financial engagements during the week. The Board meetings are mainly for the purpose of considering dividends and official indications are not available whether dividends concerned are interims or finals. The sub-division shown below is based mainly on last year's time-table.

TO-DAY
BOARD MEETINGS
Interims
Ausa Investment Trust
Associated Tooling Industries
Gresham House Estates
The Investment Trust
Maclare Educational
DIVIDEND & INTEREST PAYMENTS
Discount Bank Invests. Ord. within Nos. 4,000,201 to 527,605. £15
Do. Ord. (Reg.) within Nos. 600,000 to 2,945,152 £0.90
Do. Ord. (Br.) £0.90
Nathan (S & B) 1p
Lebof (S.) (Fcbel) 0.6965p
Silhouette (London) Ord. & "A" Ord 0.775p
THURSDAY, DECEMBER 30
COMPANY MEETINGS
Aberdeen Trust, Aberdeen, 12
British Tin, Winchester House, EC, 12
M.Y. Dart, Barnet, Hertfordshire, 12
Mid-Kent Water, Snodland, Kent, 12
Mars Engineering, Warwick, 2
Phoenix Mining & Finance, 100 Old Broad

Central Wagon Ln. 3½pc
Chamberlain Phipps 5½pcPf. 2.2pc. Ln. 4½pc
Charlwood Alliance Hldgs. Db. 8, 4½pc
Charnos 7pcPf. 2.8pc
Chesterfield Properties Db. 3¼pc
Chilian Northern Rlwy. 1stDbs. 2½pc
Chloride Grp. Db. 3⅞pc
Chubb Fire Security Db. 2¾pc
Civil Service Supply Db. 4¼pc
Clarke Chapman Db. 5pc. Lns. 3¼, 3.4, 4.4pc
Clay Cross Ln. 3½pc
Clay (Richard) 6pcPf. 2.1pc
Clayton Dewandre 6pcPf. 2.4pc
Clifford (Charles) 6pcPf. 2.1pc
Cliffords Dairies Db. 3¼pc
Clyde Port Authority 3pc 1½pc. 4pc 2pc
Coats Patons 1.0336 4pcPf. 1.4pc. 6pcPf. 2.1pc. Lns. 2½, 3¼, 3½pc.
Cole (R. H.) Db. 4½pc
Colemore Inv. Db. 3¼pc
Collins (William) Db. 3pc
Colman (E. Alec) Inv. Db. 4¾pc
Colt Ind. 62.5 cts.
Commonwealth Dev. Fin. 7¼pcDb. 3½pc.

Land House Property Cpn. 4½pcPf. 1.575pc
Laurence Scott Db. 2½pc
Law Debenture Con. Ln. 2¼pc
Law Land 5pcPf. Db. 3¼, 3¼, 3½pc
Lawrence (William) 7½pcPf. 5.25pc
Le Bas (Edward) 7½pcPf. 2.625pc. Ln. 5. 5½pc
Lead Industries 7pcPf. 2.45pc. Ln. 5½pc
Leda Investment Tst. Db.5pc .3¾pc. Ln. 2½pc
Lep Group 5pcPf. 2pc
Leslie and Godwin (Hldgs.) 10pcPf. 7pc
Lesney Products Ord. and Restd. Vtg. Ord. 7½pcPf. 2.625pc. Deb.Stk. 5½pc
Lex Service Group 6½pcPf. 2.275pc. Ln. Stk (29/11) 4½pc. Ln (13/12) 8¼pc
Lincroft Kilgour Ln. 4½ 5pc
Lloyds Bank Ln 3¼pc
Lockwoods Foods 7pcA Pf. 2.8pc
London Country Comm. Prop. Db. 2½pc
London Gartmore Invest. Tst. Db. 4½pc.
London Provincial Tst. Db. 2½pc
London Electrical Gen. Tst. 6pcPf. 2.1pc. 4½pcPf. 1.575pc. Debs. 2, 2¼, 2½pc
Longbourne Holdings 6pcPf. 2.1pc

[illegible]

City Investg. Pf. 50cts.
Colne Valley 1¼ 2 2 Grrd.1½ 2½ 2½ 2½ (1990-95) 2½ (1986-91) 2¾ 5½pc
Commercial Union 5pc 1.757pc
Continental Union Tst. Dbs. 2¼, 2½pc
Costa Rica Rly. 3¼ (1st)pc
Courtney Pope 6pcPf. 2.1pc
Customagic Mnfg. 0.45p
Danish 3½pc (1901) 1¾pc
Davis (H. C.) 5½pcPf. 1.925pc
Drayton Consld. Tst. 5pcPf. 1.75pc. 2.8pc Pf. 1.4pc 3.5pcPf. 1.75pc Dbs 2¼, 2¼, 2½pc
Drayton Premier Inv. Tst. 3.5pcPf. 1.75pc. 5pc.Pf. 1.75pc Perp. Db. 2½pc
Dublin Port Dks. Bd. 5pc 2½pc

Jeyes Grp. Ln. 4pc
Jones (A. A.) and Shipman 7pcPf. 2.45pc
Joseph (Leopold) Invest. Tst. 12½pcPf. 4.375pc
WF—14
Kayser Bondor 6pcPf.Db. 3½pc
Kearney Trecker Marwin Db. 5½pc
Kennings Estates 5½pcDbs 2½, 3½, 3½pc
Kincaid (John G.) 6pcPf. 2.1pc
Kingside Invest. Ln. 2½pc
Kleinwort Benson 4½pcPf. 1.4875p. 5pcPf. 1.75p. 5pcLn. 3pc
L.K. Industrial Invests. 6pcPf. 2.1pc
Laird Group Ln. 4pc
Lake View Invest. Dbs. 1½, 2½
Lamson Indust. 6pcPf. 2.4pc

Slough Ests. Ln. 5pc
Smith Nephew Ln. 4pc
Smurfit (Jefferson) 6pcPf. 1.98pc. Ln 5¼pc
Sth. African Breweries Pf. 6.2pc. Cnv Pf. 3¼pc
Spear (J. W.) 0.55pc
Spirella 5pcPf. 2.625pc
Squirrel Horn 5pcPf. 1.75pc
Staffordshire Potteries Ln. 4½pc
Star Aluminium Db. 3½pc
Stead Simpson Db. 4½pc
Steel Bros. 5pcPf. 2.8pc. 7pcPf. 3pc. 6pcPf. 3.2pc. 5.5pcPf. 2.75pc. Ln. 3½. 4½pc
Steetley Db. 3½pc. Lns. 3, 5pc
Sterling Guarantee Tst. Ln. 3½pc
Sterling Tst. 5pcPf. 1.75pc. Ln. 2½pc.

Drayton Premier Inv. Tst. 3.5pcPf. 1.75pc. 5pc.Pf. 1.75pc Perp. Db. 2½pc

BASE LENDING RATES

Allied Irish Banks Ltd.	14 %
American Express Bank	14 %
Anglo-Portuguese Bank	14 %
Henry Ansbacher	14½%
Banco de Bilbao	14 %
Bank of Credit & Cmce.	14 %
Bank of Cyprus	14 %
Bank of N.S.W.	14 %
Banque du Rhone S.A.	14½%
Barclays Bank	14 %
Barnett Christie Ltd.	15 %
Bremar Holdings Ltd.	14 %
Brit. Bank of Mid. East	14 %
■ Brown Shipley	14½%
Canada Permanent AFI	14 %
Capitol C & C Fin. Ltd.	14 %
Cayzer, Bowater Co. Ltd.	14 %
Cedar Holdings	14 %
■ Charterhouse Japhet ...	14 %
C. E. Coates	15 %
Consolidated Credits ...	14 %
Co-operative Bank	*14 %
Corinthian Securities...	14 %
Credit Lyonnais	14 %
G. R. Dawes	15 %
Duncan Lawrie	14 %
Eagil Trust	14 %
English Transcont	14 %
First London Secs.......	14 %
First Nat. Fin. Corp....	16 %
First Nat. Secs. Ltd. ...	16 %
Goode Durrant Trust...	14 %
■ Antony Gibbs	14 %
Greyhound Guaranty...	14 %
Grindlays Bank	‡14 %
■ Guinness Mahon.......	14 %
■ Hambros Bank	14 %
■ Hill Samuel	§14 %
C. Hoare & Co.	†14 %
Julian S. Hodge	15 %
Hongkong & Shanghai	14 %
Industrial Bank of Scot.	14 %
Keyser Ullmann	14 %
Knowsley & Co. Ltd. ...	15½%
Lloyds Bank	14 %
London & European ...	14½%
London Mercantile	14 %
Midland Bank	14 %
■ Samuel Montagu	14 %
■ Morgan Grenfell	14 %
National Westminster	14 %
Norwich General Trust	14 %
P. S. Refson & Co	14 %
Rossminster Accept'cs	14 %
Royal Bk. Canada Trust	14 %
Schlesinger Limited	14 %
E. S. Schwab	15 %
Security Trust Co. Ltd.	15 %
Shenley Trust...........	16 %
Standard Chartered....	14 %
Trade Development Bk.	14 %
Twentieth Century Bk.	15 %
United Bank of Kuwait	14 %
Whiteaway Laidlaw ...	14½%
Williams & Glyn's	14 %
Yorkshire Bank	14 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 11%. 1-month deposits 11½%.
† 7-day deposits on sums of £10,000 and under 11%, up to £25,000 11½% and over £25,000 11¾%.
‡ Demand deposits 11%.
§ Call deposits over £1,000 11%.

CORAL INDEX
Close 343-348

I.G. Index 01-351 3466
March Sugar 114½-116

INSURANCE BASE RATES

† Property Growth	14 %
Cannon Insurance	13½%

† Address shown under Insurance and Property Bond table.

Commodity houses agree to rescue cocoa shipper

BY JOHN EDWARDS

A MAJOR rescue operation has been mounted to save the Ivory Coast shipper, Jacques Borie, from collapse, after a failure to deliver 15,000 tonnes of cocoa at the contracted price.

The rescue has been agreed by 15 commodity trading houses, including the subsidiaries of two U.K. companies, Gill & Duffus and Inchcape, which are faced with major losses estimated at a total £15m. They will carry the loss for seven years to give Borie time to repay them.

The deal, reached in Paris last week, will mean that the commodity houses will have to buy 15,000 tonnes of cocoa from Borie at up to £1,000 a tonne more than the contracted price agreed some time ago.

The commodity houses agreed prices with Borie before April when the market was much lower. They will now pay the current market price.

Under the agreement, Borie will deliver 2,000 tonnes for November-December and 13,000 tonnes between now and April.

M. Borie has pledged to pay back to the buyers 25 per cent of the difference between the originally contracted price and the price at which delivery will actually be made by the middle of next year, in three stages—10, 10 and 5 per cent.—and the remaining 75 per cent. during the next seven years.

Out of the total £15m., individual losses among the 15 commodity dealers vary. The largest is an estimated £3m. Three companies, it is understood, account for some £8m., but others are only marginally affected.

The losses suffered by Gill and Duffus, through its subsidiary Pacol, and Inchcape through Harborne, can easily be absorbed according to both groups.

Repercussios

But some of the smaller companies may find it difficult to sustain the losses involved, and might in turn have to pass on some of the financial load to their customers, who have bought the cocoa for manufacturing purposes and must have the supplies, even if forced to pay a higher price than originally envisaged.

The agreement was considered les unsatisfactory than the alternative of forcing Jacques Borie out of business. That would have meant the non-delivery of the cocoa, still being held in the Ivory Coast, with little change of any repayment of losses. It would also have had repercussions in the coffee market, since Borie is an important shipper too, of Ivory Coast coffee exports.

It had been hoped that the Ivory Coast Government might be prepared to help in some way to avoid the potential disruption of two of its leading export products. But since cocoa and coffee supplies are in pressing demand at present, in spite of record price levels, the Ivory Coast says it is not directly concerned with a transaction between European traders.

It is normal practice for exporters from cocoa-producing countries to sell supplies in advance, often before the cocoa has even started growing.

They do it to obtain funds for growing and harvesting. Rough estimates of the size of the crop, according to the number of trees planted, can be made well in advance as a base for forward sales.

Estimates throughout the growing season, when the size of the crop is largely dependent on weather conditions, are also used to avoid forward sales exceeding the size of the likely crop. The exporter making forward sales decides whether the current price level is likely to fall or go up in the months ahead, and pitches his pricing formula accordingly.

Reasonable hope

Both the exporter and consumer can also "hedge" on the futures market against possible changes in prices from the time the contract is agreed to the time of actual delivery. The exporter should also ensure that the supplies he has contracted to deliver will be available to him at the price at which he has sold.

It appears that when Borie negotiated the contracts for the sale of the 15,000 tonnes in the first quarter of 1976, for delivery in November/December and up to April, 1977, he was convinced prices were likely to fall sharply. This was a reasonable assumption at the time, since at around £1,000 a tonne, cocoa was at an historically high level.

If prices had fallen as expected Borie could have obtained supplies from the Ivory Coast stabilisation fund (which fixed prices from the producers) at a lower level and made a handsome profit, in addition to normal shipper's profits.

However, instead of falling, prices surged upwards to around £2,000 a tonne as a result of unfavourable weather conditions in West Africa, particuarly Ghana and Nigeria. To obtain the 15,000 tonnes of cocoa from the Ivory Coast stabilisation fund, Borie is faced with paying something like double the price.

It is this difference, estimated at around £15m., which Borie has had to seek from his contracted customers. Without the extra payment, the supplies will not be released for export by the Ivory Coast.

Insurance group asks £13m. for City block

By Quentin Guirdham

LONDON and Manchester Assurance is asking £13m. for the City of London office block it will vacate next year when it finishes relocating its head offices operations in Exeter.

The offer of the building for sale vacant, as well as for letting, is an indication of the scarce supply of large offices. It is now considered that such blocks may command high prices from owner-occupiers when vacant as would be paid by pension funds and insurance companies for tenanted investments.

The London and Manchester offices, totalling 70,000 sq. feet, were rebuilt as the head offices of the company, being completed in 1966. Part of the staff has already moved to Exeter, where temporary offices have been taken before moving to a campus site outside the city where London and Manchester is refurbishing a manor house and adding new office accommodation.

The insurance group requires to make a substantial surplus over the costs of relocation due to profits from the City sale. The price the block fetches will be watched with interest by the property market since this is one of the few areas of the country where a genuine shortage of large blocks is appearing.

The group's agent, Strutt and Parker, said yesterday that it expected demand from owner-occupiers in the City to reduce the normal discount on a vacant possession building. The keenest interest expressed in buying the building had come so far from foreign-based companies.

Lease offered

Should the building fetch about £13m., it would rank with the sale of Amalgamated House earlier this year to Willis, Faber and Dumas for £13.75m. and the recent agreement, yet to be completed, whereby Barclays Bank will buy the former City office of the Hongkong and Shanghai Banking Corporation in Gracechurch Street for close to £13m.

The group's building, in Finsbury Square, has a total office content of 61,500 sq. ft., with basement and storage space making up the remainder. London and Manchester is asking either £13m. for the vacant freehold or £850,000 rent a year for leasing the building.

COMPANY NOTICES

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Dec. 31—Jan. 9	Camping and Motor Caravan Exhibition	Olympia
Jan. 2—6	Cornish Gift Fair	Truro
Jan. 4—15	Model Engineer Exhibition	Wembley Conf. Centre
Jan. 5—16	London International Boat Show	Earls Court
Jan. 8—13	Harrogate International Toy Fair	Exbn. Hall, Harrogate
Jan. 8—15	Intl. Racing and Sporting Motorcycle Show	Hortic. Halls, S.W.1
Jan. 10—14	Data Communications Equipment Exhibition	U.S. Trade Center, W.1
Jan. 16—18	International Slipper Fair	Blackpool
Jan. 16—19	Stationery Industry Exhibition	Grosvenor House, W.1
Jan. 17—22	Ulster Motor Show	Belfast
Jan. 22—27	British Toy and Hobby Fair	Nat. Exbn. Centre, B'ham
Jan. 31—Feb. 3	Spring Floorcoverings Exhibition	Metropole Centre, Brighton

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Jan. 8—13	Int. Carpet Floor and Wall Coverings Exbn.	Paris
Jan. 9—12	Saudi/U.K. Medical Seminar and Exhibition	Riyadh
Jan. 10—13	Int. Hotel, Cafe and Restaurant Exhibition	Amsterdam
Jan. 12—16	Intl. Home Furnishing Textiles Fair	Frankfurt
Jan. 12—23	Intl. Motor, Motorcycle and Cycle Exhibition	Brussels
Jan. 13—17	International Furniture Exhibition	Paris
Jan. 13—17	International Lighting Exhibition	Paris
Jan. 19—23	German Furniture Fair	Cologne
Jan. 20—30	International Food Industry Exhibition	Belgrade
Jan. 21—27	Intl. Record and Music Publishing Market	Cannes
Jan. 22—30	International Boat Show	Dusseldorf
Jan. 24—30	Intl. Audiovisual and Communication Show	Paris
Jan. 28—Feb. 6	International Green Week	Berlin
Jan. 30—Feb. 1	Finnish National Fashion Fair	Helsinki

BUSINESS AND MANAGEMENT CONFERENCES

Jan. 5—6	G.K. Tutorial: Programmed Learning Seminar	Post House, W.2
Jan. 6	Interface: Practical Statistics for Gen. Man.	Post House, Reading
Jan. 6	Interbank Research Org.: Discount Houses	Moor House, E.C.2
Jan. 10—11	InComTec: Export Documentation and Finance	Penta Hotel, S.W.7
Jan. 10—14	Abraxas: Synectics—Innovative Skills	68, Churchway, N.W.1
Jan. 10—14	Bradford Univ.: *Managing Management Devpt.*	*Heaton Mount, Bradford*
Jan. 10—21	Urwick: Senior Management in Construction	Slough
Jan. 11	Fielden House: Inflation Accounting	Manchester
Jan. 11—13	PERA: Safety Org. and Accident Prevention	Melton Mowbray
Jan. 11—14	Brunel: Procedures for Collective Bargaining	Uxbridge, Middlesex
Jan. 11—20	Clothing Inst. Seminar *and Mach. Demonstration*	*Albert Road, Hendon, N.W.4*
Jan. 12	Inst. Purchasing and Supply: Motor Ind. Conf.	Aston University
Jan. 12	Henley: Forecasts for Corporate Plans to 1982	Carlton Tower Htl., S.W.1
Jan. 12—13	BASAM: Agrochemicals Business Conference	Coventry
Jan. 12—13	Arab Market Res.: Selling to Gulf States	Cafe Royal, W.1
Jan. 13	WTI: *Import Procedures*	*World Trade Centre, E.1*
Jan. 17—18	MTC: Skills of Interviewing	Leicester
Jan. 17—19	Farmers' Weekly: Fish Farming	Bournemouth
Jan. 18	ICMA: Inf. Accounting and Corporate Reports	Piccadilly Hotel, W.1
Jan. 18	Crown Life Pensions Seminar	Purcell Room, S.E.1
Jan. 18	Assoc. Cert. *Acc.: Inflation Accounting*†	*Cafe Royal, W.1*
Jan. 18—19	Financial Times, Helsingin Sanomat, Svenska Dagbladet, Norwegian Journal of Commerce and Shipping, and Berlingske Tidende: World Pulp and Paper Industries	Finlandia Hall, Helsinki
Jan. 18—19	P. *and* R. Inst.: Rubber—New Horizons	St. Ermin's Hotel, S.W.1
Jan. 19	BIM: Credit Control	Management House, W.C.2
Jan. 19	Legal Studies and Services: Handling Redundancy	Inn on the Park, W.1
Jan. 24—28	P-E Cons. Group: Maintenance Management	Training Centre, Egham
Jan. 24—28	IPM: The Elements of Salary Administration	Whites Hotel, W.2
Jan. 25—26	Euro. Study Conf.: The U.S. Patent	Portman Hotel, W.1

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

SILVER

SUGAR

COCOA

WOOL FUTURES

COFFEE

GRAINS

Maize—No. 3 Yellow American/French Dec. £81.00, Jan. £82.50 East Coast.

Barley—EEC Feed/Canadian Jan. £82.00 East Coast.

LONDON GRAIN FUTURES MARKET (GAFTA)—Wheat, quiet. Closing: Jan. 83.55, Mar. 86.20, May 88.80, Sept. 92.50, Nov. 95.30. Business: Jan. 83.55-83.45, Mar. 86.25-86.15, May 88.85-88.70, Sept. 92.25, Nov. 95.25-95.20. Sales 254. Barley, quiet. Closing: Jan. 80.30, Mar. 83.30, May 85.95, Sept. 90.20, Nov. 92.55. Business: Jan. 80.35-80.25, Mar. 83.25-

RUBBER

SOYABEAN MEAL

Sales: 1 (20) lots of 100 tonnes.

JUTE

PALM OIL

FINANCIAL TIMES

REUTER'S

DOW JONES

Spot	367.07	368.67	351.41	293.58
Futures	366.58	367.62	351.56	282.62

(Average 1924-25-26=100)

MOODY'S

Moody's	Dec. 27	Dec. 23	Month ago	Year ago
Spile Commdt'y	860.0	860.9	818.4	751.5

(December 31 1931=100)

U.S. Markets

Call to punish air pact rebels

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE WORLD'S major scheduled airlines are asking governments to punish those who violate fares agreements reached through international discussion.

This problem of tariff violation has become serious for the world's scheduled airlines, and it is estimated that collectively they are losing over £200m. a year as a result of it.

The International Air Transport Association, representing more than 100 scheduled airlines throughout the world, has asked the International Civil Aviation *Organisation (the aviation* agency of the United Nations) to ensure that governments introduce severe penalties for such violations.

In a long memorandum submitted by the IATA to the Organisation in preparation for the latter's major conference on world air transport problems in Montreal next April, the world's airlines urge that governments should also work to find out why such violations occur, and to try to remove those causes.

In its memorandum, the IATA also asks the ICAO to urge its members to support the existing methods of establishing scheduled air fares and cargo rates: and to strengthen the machinery by adapting it to take into account charter fares.

The airlines are particularly concerned at the way in which many charter flights are allowed by Governments to operate with such regularity and frequency as *to be almost scheduled operations* in their own right, but without either the same fares or the same "public service obligation" that is imposed on normal scheduled traffic.

The IATA airlines therefore want to see Governments adjusting their attitudes to civil aviation to ensure that despite the growth of charters the public interest is properly served by maintaining a viable network of scheduled services.

A further worry is the growth of external organisations—tour organisers, travel agencies, and so on—through whom much of the world's scheduled air tickets are sold, but who remain outside the existing regulations laid down by Governments.

The scheduled airlines in the IATA want to see the entire regulatory framework revised so as to bring intermediaries into the system, and make them subject to the same controls that airlines are obliged to accept.

Argentina gunfight

Two Left-wing guerilla suspects died in a gunfight with Argentine security forces yesterday, UPI reports from Buenos Aires. The man and woman in their early 20's started shooting when their house was surrounded and they were told to surrender.

Slater investment division opens promotion drive

By Our City Staff

THE INVESTMENT management division of Slater Walker *Securities is set to make a return* to the market place. It had been on the defensive since Mr. Jim Slater resigned as chairman in October 1975.

A promotion campaign in the Press will coincide with changing the name of the unit trust to Britannia on January 1. The group has 26 authorised unit trusts under the SW banner.

This division of the group, effectively given a clean bill of health in the accountants' report into Slater Walker Securities published in September, includes the private and institutional client business, which accounts for about £40m.

It is expected that the private clients' side in particular will be an area for expansion in the New Year. The minimum amount for *a private client is about £50,000,* with an annual management change of 1 per cent.

SWS is likely to enter the field of unit-linked life assurance in the 1977 first quarter. Existing funds will be linked to a life assurance policy devised by Slater Walker Insurance, but marketed under the Britannia name. The insurance company has funds under management of about £50m.

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS

Figures in parentheses show number of stocks per section

	Friday, December 24, 1976: Index No.	Day's Change %	Est. Earnings Yield % (Max) (Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (net) Corp. Tax 52%	Est. P/E Ratio (nil) Corp. Tax 52%	Thurs. Dec. 23 Index No.
1 CAPITAL GOODS (178)	129.30	−0.1	21.97	2.44	6.78	6.72	129.45
2 Building Materials (30)	106.00	+0.1	23.45	9.27	6.42	6.42	105.91
3 Contracting, Construction (22)	162.06	+0.4	27.47	6.73	5.62	5.62	161.38
4 Electricals (16)	263.72	−0.5	18.60	5.48	8.02	7.82	265.15
5 Engineering (Heavy) (13)	157.64	−0.5	30.66	8.53	4.75	4.68	158.52
6 Engineering (General) (66)	119.77	—	21.84	7.81	6.76	6.76	119.76
7 Machine and Other Tools (9)	55.10	+0.1	17.95	8.86	8.32	8.30	55.03
8 Miscellaneous (22)	108.87	—	22.12	8.55	6.59	6.53	108.88
9 CONSUMER GOODS (DURABLE) (53)	112.06	+0.1	22.28	6.39	6.72	6.72	111.92
10 Lt. Electronics, Radio TV (15)	123.65	+0.1	20.51	4.76	7.26	7.25	123.50
11 Household Goods (13)	117.11	+0.2	26.10	10.24	5.83	5.81	116.92
12 Motors and Distributors (25)	74.90	+0.1	23.69	7.61	6.34	6.34	74.81
13 CONSUMER GOODS (NON-DURABLE) (170)	131.24	−0.5	17.65	7.49	8.56	8.47	131.85
14 Breweries (15)	142.49	−0.3	16.84	8.17	8.90	8.90	142.87
15 Wines and Spirits (6)	153.13	−0.4	16.48	7.40	9.51	9.31	153.70
16 Entertainment Catering (15)	168.07	−0.1	16.05	8.00	9.52	9.42	168.30
17 *Food Manufacturing* (23)	145.16	—	20.12	6.46	7.49	7.37	145.14
18 Food Retailing (16)	125.76	−0.4	15.95	6.43	9.05	9.05	126.25
19 Newspapers, Publishing (16)	194.25	—	13.59	5.52	11.25	11.15	194.19
20 Packaging and Paper (12)	87.08	—	20.51	9.26	7.48	7.48	87.08
21 Stores (34)	106.[illegible]	−0.8	14.61	6.68	10.54	10.52	107.85
22 Textiles (24)	114.94	−0.5	17.73	10.32	8.06	8.04	115.48
23 Tobaccos (3)	196.37	−1.0	22.31	8.80	6.67	6.67	198.44
24 Toys and Games (6)	74.19	—	22.31	8.55	6.01	5.98	74.19
OTHER GROUPS (95)							
25 Chemicals (26)	197.37	−0.4	16.41	5.86	8.29	8.29	198.16
26 Office Equipment (5)	69.76	−0.5	17.74	7.58	8.16	8.16	70.08
27 Shipping (11)	382.04	−0.1	14.08	6.95	10.21	9.29	382.33
28 Miscellaneous (50)	136.18	—	18.50	8.67	8.04	8.05	136.16
29 INDUSTRIAL GROUP (496)	136.11	−0.3	18.72	7.24	7.89	7.83	136.51
30 OILS (4)	416.38	—	10.23	4.21	11.33	10.42	416.41
31 500 SHARE INDEX	158.43	−0.2	17.07	6.65	8.39	8.23	158.81
32 FINANCIAL GROUP (100)	111.32	−0.7	—	7.07	—	—	112.06
33 Banks (6)	157.73	−1.2	24.56	6.72	6.25	6.26	159.35
34 Discount Houses (10)	152.68	—	—	9.13	—	—	152.58
35 Hire Purchase (5)	77.36	+1.0	9.49	8.75	23.29	23.29	76.56
36 Insurance (Life) (10)	91.62	−0.8	—	8.36	—	—	92.33
37 Insurance (Composite) (7)	86.28	−0.6	—	8.57	—	—	86.79
38 Insurance Brokers (10)	236.14	−0.5	12.75	5.80	11.79	11.79	237.26
39 Merchant Banks (15)	53.85	+0.4	—	7.80	—	—	53.61
40 Property (31)	138.55	−0.4	6.36	4.04	30.24	28.95	139.16
41 Miscellaneous (6)	69.17	+0.6	19.42	12.46	7.83	7.85	68.79
42 Investment Trust (50)	150.59	+0.1	3.58	5.12	28.87	28.67	150.43
43 ALL-SHARE INDEX (650)	147.00	−0.3	—	6.63	—	—	147.42
COMMODITY GROUPS (*Not included in 500 or All-Share indices*)							
44 Rubbers (9)	504.71	+0.6	9.17	5.69	14.09	13.31	501.71
45 Teas (8)	137.57	+0.8	30.65	8.94	4.29	4.15	136.44
46 Coppers (3)	144.82	−2.1	44.74	7.73	2.26	2.24	147.97
47 Mining Finance (11)	84.06	−0.3	11.15	5.85	9.88	9.79	84.27
48 Tins (5)	128.44	+0.4	11.01	8.65	13.97	13.79	127.91
49 Overseas Traders (13)	209.85	−0.3	17.52	6.57	7.82	7.81	210.45

FIXED INTEREST	Friday, Dec. 24 Index No.	Yield %	Thurs. Dec. 23	Wed. Dec. 22	Tuesday Dec. 21	Monday Dec. 20	Friday Dec. 17
1 Consols 2½% yield	—	14.64	14.64	14.63	14.73	14.83	14.82
2 20-yr. Govt. Stocks (8)	45.81	†14.14	45.57	45.71	45.50	45.13	45.00
3 20-yr. Red. Deb. & Loans (15)	46.49	†15.65	46.75	46.67	46.49	46.36	46.23
4 Investment Trust Prefs. (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5 Coml. and Indl. Prefs. (20)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service on Friday attained new Highs and Lows for 1976.

NEW HIGHS (20)

AMERICANS (2)

BANKS (3)

BUILDINGS (1)

FOODS (2)

INSURANCE (1)

PAPER (2)

PROPERTY (1)

TRUSTS (2)

NEW LOWS (3)

BANKS (1)

ENGINEERING (1)

OILS (1)

RISES AND FALLS

	Up	Down	Same
British Funds	[illegible]	[illegible]	[illegible]
Corpns. Dom. and Foreign Bonds	[illegible]	[illegible]	[illegible]
Industrials	[illegible]	[illegible]	[illegible]
Financial and Prop.	[illegible]	[illegible]	[illegible]
Oils	[illegible]	[illegible]	[illegible]
Plantations	[illegible]	[illegible]	[illegible]
Mines	[illegible]	[illegible]	[illegible]
Recent Issues	[illegible]	[illegible]	[illegible]
Totals	[illegible]	[illegible]	1,988

FINANCIAL TIMES STOCK INDICES

—	Dec. 24	Dec. 23	Dec. 22	Dec. 21	Dec. 20	Dec. 17	A Year ago
Government Secs	59.73	59.74	59.62	59.46	59.18	59.05	59.39
Fixed Interest	60.15	60.15	60.13	59.90	59.45	59.21	59.10
Industrial Ordinary	343.4	344.7	344.5	337.8	337.5	334.8	363.4
Gold Mines	116.9	117.3	116.9	116.1	114.7	116.9	230.2
Ord. Div. Yield	6.44	6.41	6.38	6.50	6.50	6.50	5.74
Earning Y'ld % (full)(*)	20.16	20.08	19.95	20.33	20.33	20.45	16.03
P/E Ratio (net) (*)	7.27	7.30	7.34	7.20	7.20	7.16	9.15
Dealings marked	2,211	4,409	4,556	4,627	4,597	3,970	2,374
Equity turnover £m.	—	*n.a.*	*65.38*	*61.20*	*55.22*	*70.20*	*17.66*
Equity bargains total	—	n.a.	11,216	10,486	11,594	11,154	5,794

10 a.m. 343.9. 11 a.m. 343.6. Noon 343.4. 1 p.m. —. 2 p.m. —. 3 p.m. —.

Latest Index 01-246 8026.

*Based on 52 per cent. corporation tax. †Nil=7.30

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/10/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

—	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	66.21 (30/1)	56.68 (27/10)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	64.43 (2/2)	55.57 (25/10)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	420.8 (4/5)	265.3 (27/10)	543.6 (19/5/72)	49.4 (26/6/40)
Gold Mines	246.9 (2/1)	78.8 (25/8)	442.3 (22/5/75)	42.6 (26/10/71)

S.E. ACTIVITY

—	Dec. 24	Dec. 23
Daily		
Gilt-Edged	93.2	168.0
Industrials	65.6	158.6
Speculative	11.3	23.6
Totals	50.3	100.4
5-day Av'r'ge		
Gilt-Edged	168.3	181.1
Industrials	124.7	136.8
Speculative	26.1	39.9
Totals	92.9	100.9

ACTIVE STOCKS ON FRIDAY

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
BATs Dfd.	25p	8	223	—	228	183
BP	£1	7	774	—	780	557
Imperial Group	25p	6	61	−1	88	50½
Burton A	50p	5	35	—	64	20
Comm'l. Union	25p	5	91	−1	138	75
ICI	£1	5	324	−1	402	256
Beecham	25p	4	378	−2	390	269
Marks & Spencer	25p	4	94	−1	108	70
P. & O. Dfd.	£1	4	118	−1	120½	87
Assoc. P. Cement	£1	3	150	—	202	112
Epicure	5p	3	40	−½	41½	4
GEC	25p	3	169	—	171	112
GUS A	25p	3	173	−2	224	122
Reed Int'l.	£1	3	182	—	274	156
Thom. Elect. A	25p	3	192	—	288	134

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Dec. 21	Jan. 11	Mar. 24	Apr. 5
Jan. 12	Jan. 24	Apr. 6	Apr. 20
Jan. 25	Feb. 7	Apr. 21	May 4

Calls were transacted in Courtaulds, Charterhall, British Vita, Spillers and National Westminster Warrants. No puts were reported but double options were arranged in Courtaulds and Furness Withy. A *short-dated* double transaction was completed in Ultramar.

Industrials							
A. Brew	5½	Gen. Electric	17	Midland Bank	22	Property	
A. P. Cement	15	Glaxo	36	Nat'lWestBank	20	Brit. Land	3½
BSR	10	Grand Met	7	"Do" Warrants	7½	Cap. Counties	3
Babcock	8	G.U.S. 'A'	18	P & O Dfd	11	E.P.	5
Barclays Bank	22	Guardian	18	Plessey	7	Intereuropean	7
Berry Wiggins	5	G.K.N.	25	R.H.M.	6	Land Securities	14
Beecham	28	Hawker Sidd.	35	Rank Org 'A'	18	MEPC	7
Boots	12	House of Fraser	8	Reed Int'l.	23	Peachey	6
Bowater	16	I.C.I.	22	Beyrolle	11	Samuel Props.	4½
B.A.T.	21	"Imps"	7	Spillers	4	Town & City	1½
BOC	5½	I.C.L.	14	Tesco	4	Oils	
Brown (J.)	9	Inveresk	7	Thorn 'A'	22	Brit. Petroleum	50
Burton 'A'	4½	Legal & General	12	Trust Houses	9	Burmah Oil	4½
Cadbury	5	Ladbroke	11	Tube Invest.	27	Shell	27
Cavenham	10	Lex Service	3½	Unilever	38	Ultramar	14
Courtaulds	10	Lloyds Bank	22	Utd. Drapery	6	Mines	
Debenhams	8	"Lofs"	4	Vickers	15	Charter Cons.	15
Distillers	13	London Brick	4½	Woolworths	6	Charterhall Fin	4
Dunlop	7½	Lonrho	9			Cons. Gold	15
Eagle Star	11	Lucas Inds.	20			Rio T. Zinc	18
E.M.I.	18	"Mams"	7				
Gen. Accident	17	Marks&Sp'ncer	8				

STOCK MARKET REPORT

Down 1.3 at 343.4

Christmas Eve trade in the shortened session on the Stock Exchange was uneventful. Attendance was reasonably good, but investment incentive was lacking ahead of the long holiday weekend and it was chiefly for this reason that prices of the equity leaders were a shade easier, where changed.

The FT 30-share index told the story: down 0.8 at 10 a.m., it was 1.1 down an hour later and was finally 1.3 off at 343.4 at the official, 12 noon, close of the House. There was, of course, no inter-office trading.

In Gilt-edged, short-dated maturities moved marginally better in front of the expected further ½-point reduction in Minimum Lending Rate to 14¼ per cent, which was confirmed well after the market had closed. Longer-dated securities remained at the previous overnight levels *because of a natural reluctance* to take on fresh commitments in this area before the prospectus for the new long tap stock is published to-day; lists open and close on Friday, and dealings will start next Tuesday.

A spokesman for one of the big four clearing banks stated that base-rates were unlikely to be affected by the latest fall in MLR, *but* easiness was discernible in share prices of leading Banks. Engineering displayed scattered features.

Lower-than-anticipated prices for turkeys made *for dullness* in B. Matthews, 2½ off at 90p, while Shippings, after recent ebullience on North Sea oil speculation, also tended to ease. Among Financial issues, Akroyd and Smithers moved up 5 to 153p on the current strength of British Funds, as reflected in demand which quickly exhausted the Treasury 15¼ per cent. 1998 A tap and *threatens to see* the disposal of the short tap stock either to-day or later this week.

Company news items were few and made little impact although *White Child and Beney shed 3 to* 44p after the announcement of aid from the National Enterprise Board, while flickering speculative demand *in* thin markets *lifted Biddle Holdings 6 to 85p* and Fox's Biscuits 5 to 90p.

The investment currency premium, which has risen sharply since the mini-budget, held steady at 129½ *per cent.,* which represents a rise of 17 points on the rate ruling on December 15.

The measure of trade as reflected in official markings was 2,211, as compared with 4,409 the previous day. Overall, only 20 per cent. of FT-quoted Industrials showed price changes with rises leading falls by about 4-to-3. Usually announced a day late, the full Equity Turnover and Bargains totals for December 23 were not available last Friday.

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS (Miscel.)

FOREIGN BONDS & RAILS

AMERICANS

Conversion factor 0.6710 (0.6735)

CANADIANS

1976 High	1976 Low	Stock	£	+ or −	Div. Gross	Cvr	Y'ld Gr's
14½	10½	Bk. Montreal $2	12	−½	$1.00	—	4.9
20½	15½	Bk. Nova Scotia $1	17½		$1.72	—	2.9
46¾	33½	Bell Canada $25	41¼	−2¼	$2.72	—	5.3
23½	12	Bow Valley	18⅞	−½	10c	—	0.3
10	780p	Brascan	10		$1.00	—	5.4
29½	18	Can. Imp. Bk. $2	21½		$1.40	—	3.6
16½	10½	Can. Pacific $5	13½		85c	—	3.8
29½	25	Do. 4pc Deb. $100	26½		4%	—	15.1
37½	17½	Gulf Oil Can.	22	−1½	$1.00	—	2.7
670p	345p	Hawker Sid. Can.	400p		70c	—	5.5
35	21	Hollinger $5	24		$2.80	—	4.4
18	10½	Hudson's Bay	12½	−¼	60c	—	2.9
34½	25½	Hud. B. Oil G. $2½	29½	−½	Q152c	—	3.0
22½	15	Imperial Oil	18⅝	+¼	86.4c	—	2.8
31½	19½	Inco	27½	+½	$1.40	—	3.0
920p	660p	Int. Nat. Gas $1	830p	−30	20c	—	5.7
25½	16	Massey Ferg.	19	−¼	$1.00	—	3.1
27½	20¼	Pacific Pet. $1	24		85.4c	—	2.1
38½p	24p	Place Gas $1	31½pd	+2½	—	—	—
30¼	21½	Rio Algom	24½	−½	$1.00	—	2.4
27¼	16½	Royal Bk. Can. $2	22¼	+¼	$2.38	—	3.6
29½	16½	Seagram Co. C$1	19½	−¼	56.4c	—	2.6
23½	17	Tor. Dom. Bk. $1	16½	−¼	76c	—	2.7
11½	830p	Trans Can. Pipe $2½	11½		95c	—	4.9

S.E. List Premium 48¾% (based on $1.7099 per £)

BANKS AND HIRE PURCHASE

1976 High	1976 Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's	P/E
390	251	ANZ $A1	317	+1	tQ14.9	—	3.0	—
250	125	Alexanders D. £1	205		11.67	—	8.8	—
£110	£80	Algemene Fl 100	£109	−½	tQ21%	2.6	4.7	11.2
390	235	Allen Harvey £1	350		25.0	—	11.0	—
128	76	Allied Irish	94		t05.59	—	7.3	—

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

BUILDING INDUSTRY—Continued

CHEMICALS, PLASTICS

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

DRAPERY AND STORES—Continued

ELECTRICAL AND RADIO

ENGINEERING, MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

INSURANCE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS—Continued

Finance, Land, etc.

OILS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

MINES—Continued

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

CENTRAL AFRICAN

AUSTRALIAN

TINS

COPPER

MISCELLANEOUS

High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
10	8	Burma Mines 17½p	9		0.1	ϕ	1.8
35½	15½	Charterhall 5p	19½	−1	—	—	—
990	550	Cons. Murch. 10c	550	−10	Q140c	ϕ	15.8
440	245	Northgate C$1	390		—	—	—
239	132	R.T.Z.	172		45.9	2.1	5.3
112	55	Sabina Inds. C$1	63	−1	—	—	—
£15⅞	£10	Tara Explrn. $1	£12½	+¼	—	—	—
45	32½	Tehidy Minerals 10p	38		†h1.09	ϕ	4.4
145	84	Yukon Cons. C$1	123		—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. They are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents
- ϕ Figures or report awaited.
- †† Unlisted security.
- ♯ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty
- ♦ Merger bid or reorganisation in progress
- ♣ Not comparable
- ♠ Same interim: reduced final and/or reduced earnings indicated
- § Forecast dividend: cover on earnings updated by latest interim statement
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration
- ✤ Regional price.
- ∥ No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimate for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 11

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FINANCIAL TIMES
Wednesday December 29 1976

New initiative to raise car industry output

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE GOVERNMENT is planning a new initiative to help raise productivity in Britain's car industry.

Mr. Eric Varley, Industry Secretary, with Mr. Jack Jones of the transport workers' union and Mr. Hugh Scanlon of the engineers, plans to visit each of the big four car companies.

Details have still to be fixed, but the aim is to get senior shop stewards and management together to discuss ways of improving performance.

Attention has focused on Leyland Cars, but the Department of Industry's concern is wider. Early improvements in performance are considered important if the industry is to achieve a competitive position.

Involvement

The highly critical study by the Central Policy Review Staff warned last year that if the weaknesses of the industry were not corrected, some 275,000 jobs could be lost by 1985.

Some progress has been made since then, and the top-level tripartite committee set up by Mr. Varley has brought together management, unions and the Government to form a joint approach to problems.

Represented on the committee are civil servants, managing directors of the four major car companies, Mr. Jones and Mr. Scanlon.

The Industry Department feels that the time has come to broaden the committee's activities and get plant-level involvement in the discussions.

Venue of the first meeting at the end of January is likely to be Leyland Cars' Longbridge factory. About 250 people may be involved in the forum. Mr. Varley is likely to give a short talk before opening the meeting to discussion.

Attitudes

He will talk in general terms, underlining the Government's commitment to the industry and stressing that responsibility for success lies at plant level.

The Think Tank report, which asserted that a British car assembly worker produces only half as much per shift as his Continental counterpart, made the point that investment alone would not be enough to raise productivity.

The basic problem was one of attitudes by management and labour, and it was the role of government to give a lead in promoting change.

Making workers and management aware of the scale of the task is one way of trying to change attitudes; but the Government now finds itself long on analysis and short on remedies to achieve a fast improvement in output.

Given the economic problems confronting the Government, it will be difficult to introduce a significant incentive element in the next phase of pay policy from next August.

This issue will obviously figure prominently in talks with the TUC over the next few months.

Leyland Cars is already preparing a joint union-management appeal to the Government for more flexibility from August.

Wage anomalies and differentials are causing mounting frustration within the 120,000-strong workforce, and industrial disruption has already been threatened by the toolroom workers.

Continuity of production alone can make an important contribution to productivity—a point underlined by a working party organised under the auspices of the tripartite committee.

In a private report which compared Ford operations at Genk in Belgium with those at Halewood, Merseyside, the working party found the British plant less efficient.

Carter seeks Brezhnev meeting and new SALT agreement

BY JUREK MARTIN, U.S. EDITOR — WASHINGTON, Dec. 28.

MR. JIMMY CARTER, U.S. President-elect, is clearly determined to press ahead for a new strategic arms limitation agreement with the Soviet Union, and expects to confer with Mr. Brezhnev, the Soviet Party leader, probably in the U.S., before the autumn.

He divulged this much in an interview with Time magazine, which has named him its "Man of the Year." He went to some lengths yesterday to play down the significance of a reported study by the Central Intelligence Agency which concludes that Russia is determined to surpass the U.S. militarily.

Armed strength

"I think it's apparent that their rate of growth of military strength compared with ours has probably been fairly substantial," he said, "but we're still far stronger than they are in most means of measuring military strength."

Mr. Carter confirmed that Mr. Brezhnev had been in indirect communication with him through a variety of channels, presumably advocating an early meeting between two Heads of State.

While saying that generally he had no intention of over-indulging in foreign travel in the first year of his Presidency, Mr. Carter did say he expected to meet Mr. Brezhnev before September and have a new Strategic Arms Limitation Talks agreement signed before the present interim one expires in October.

Mr. Carter said he would like to set "as a goal" destruction of some nuclear armaments. He expanded by adding: "The exchange that has taken place already between Secretary Brezhnev and myself has been to explore the possibility of a freeze on the number of missiles, the number of warheads (leading to) some limits for this next SALT agreement below those that were established at Vladivostok."

He went on: "And then I would like to see a careful amount of mutual reduction in total numbers of atomic weapons between us and the Soviet Union, and I'd like to encourage, as much as I can, other nations to follow suit.

"In addition, I would like to see the termination of all tests of nuclear weapons, and I might add that there has been some indication that the Soviets agree with this proposal and have even put forward the possibility of on-site inspection."

Middle East aims

It therefore looks as though Mr. Carter is taking Mr. Brezhnev's soothing messages quite seriously and is prepared to take up the SALT torch dropped this year, largely because of U.S. political considerations.

Dr. Kissinger is known to have been irritated that President Ford's electoral problems precluded initiatives, and Mr. Ford said in an interview at Christmas that his greatest disappointment had been the inability to conclude a new SALT agreement.

Mr. Carter is willing to get Middle East peace talks moving as soon as feasible. He implied in the Time interview and at an informal Press conference yesterday that he might invite Mr. Rabin, the Israeli Prime Minister, and Presidents Assad of Syria and Sadat of Egypt to the U.S. for individual talks.

The President-elect's present preoccupation is the state of the U.S. economy. He spent yesterday at a holiday island off Georgia with his economic team, and to-day and to-morrow confers with the full Cabinet there.

He said yesterday he thought the economic outlook a bit brighter than a month ago when he said things were getting worse and when his Budget chief, Mr. Bert Lance, suggested a new recession was already on the country.

Specifically, Mr. Carter pointed to the recent rally on Wall Street, evidence of good Christmas consumer spending and the encouraging attitudes of business and industry towards his Administration.

Mr. Ford is letting it be known that he still intends to recommend a permanent tax cut in his economic message, due to be delivered before he leaves office.

New York hope

Mr. Carter also had a little ray of sunshine for beleaguered New York City this morning when, after a meeting with Governor Carey and Mayor Beame, he said he had absolutely ruled out bankruptcy as a solution to its financial problems.

He said he hoped some resolution of the difficulties in implementing the city's debt moratorium, ruled unconstitutional by a state court, could be reached by the end of next month. He though New York would achieve its goal of balancing its books by June 1978.

He appointed Mr. Michael Blumenthal, his Treasury Secretary, to deal directly with New York officials.

Murray bid to end Rubery strike

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

TALKS chaired by Mr. Len Murray, general secretary of the TUC, were taking place in London last night in an attempt to resolve the latest strike at Rubery Owen, the West Midlands car components plant threatened with closure unless industrial relations improve.

The initiative by Mr. Murray marked a last-ditch attempt to sort out the problems at the Rubery Owen Darlaston plant, which has enjoyed only three days free of industrial action over the past nine months.

The company has warned the 2,700-strong work force that closure will be considered unless normal production is resumed after the return from the Christmas break on January 4.

The latest dispute centres on 60 electricians who have staged a sit-in demanding payment for time lost during an earlier three-week strike by maintenance engineers.

For management to concede the demand of £100 compensation for each man would open the door to similar claims from another 1,900 manual workers at the plant.

Basic to the problems is the chaotic wage structure which allows men doing virtually the same work to enjoy markedly different earnings.

Injustice and envy are endemic to a payment structure which has manual employees working to two quite different piecework systems and the rest on time work.

During a period of pay restraint it is easier for piece workers to redefine their job and raise earnings than for hourly paid. This grievance is basic to the dispute by maintenance engineers.

Certainly, within the confines of the present incomes policy, the flexibility is not available even to begin to remove the inconsistencies of the Rubery Owen payments structure. Moreover, differentials are so great that, if pay restraint is continued beyond the end of next July, the company may still be unable to attempt a comprehensive restructuring.

The factor complicating the present dispute is the legacy of ill feeling between the electricians and other manual workers since the bitter five-week strike of 1973.

The electricians, who withdrew from the joint shop stewards' committee, remained at work and have since conducted seperate negotiations with management.

Efforts to get the Electrical and Plumbing Trades Union officials to enter discussions at regional level with the TGWU and the AUEW, under the auspices of the Confederation of Shipbuilding and Engineering Unions, failed last week.

The concern with which the Government views the threat to Rubery Owen is evidenced by the personal intervention before Christmas of Mr. Albert Booth, the Employment Secretary, and Mr. Eric Varley, the Industry Secretary.

After meeting the two Ministers, the EPTU held discussions with Rubery Owen management but the talks proved abortive.

For a lasting settlement of the electricians' dispute agreement on a joint approach to management must first be reached with the other two unions at the plant.

Mr. John Owen, the managing director, has warned that the Darleston plant will face insolvency without a speedy return to normal working.

The factory is a subsidiary of Rubery Owen Holdings, one of Britain's largest privately owned companies, whose bankers have made it clear they will not permit the group to provide additional funds to the components company.

Should management take the extreme action of placing the subsidiary in the hands of the receiver, pressure would mount on the Government to put together a rescue package to ensure continuity of supplies to the vehicle assemblers.

Components, including petrol tanks, wheels and axles, are supplied to most of the major motor companies, but Leyland Cars is most threatened by the troubles at Rubery Owen.

TIMETABLE OF DISRUPTION

March—Manual workers begin three months overtime ban
April—Delivery drivers strike
May—Strike by one department halts Jaguar production
November 16—120 maintenance men walk out and 2,700 laid off
December 6—Maintenance men agree to return
December 7—Electricians start sit-in
December 20—EPTU Executive asked to make dispute official
December 21—Employment Secretary meets EPTU leaders
December 22—Talks with management break down
December 24—Failure to convene regional meeting with other trade unions. TUC intervenes

Production has been consistently impeded over the period by disputes which have fallen short of strike action.

Black townships fall quiet after Christmas havoc

BY QUENTIN PEEL AND JOHN STEWART — CAPE TOWN, Dec. 28.

OFFICIALS and welfare workers were to-night attempting to estimate the scale of the refugee problem in Cape Town's black townships of Nyanga, Guguleto and Langa after Christmas week-end rioting which left an officially estimated 26 dead and 106 seriously injured.

Hundreds of families fled the violence, in which nearly 200 homes were reported to have been burned down, leaving at least 1,000 homeless. But there were no further incidents reported to-night as a large contingent of police reinforcements flew in from Pretoria.

Cape Town businesses and hotels reported that most of their staff had turned up for work. Many were offered facilities to sleep at their work premises if they were unwilling to return to their townships.

A senior police officer described the situation this afternoon as "very quiet."

Both police and local newspapers blame the havoc of the past few days on differences between migrant workers living in the townships and youths attempting to enforce a "black Christmas" of mourning for those who died in the township rioting in Soweto and elsewhere during the past six months.

Residents in Nyanga accused the police of being "more provocative than protective." Instead of forming a barrier between the rival factions, they alleged, the police were "allowing the migrants to come through and do what they wish."

However, Brig. P. Cerff, senior staff officer of the Western Cape police, said: "We are accused of taking sides when we do go in. If we don't go in, we are accused of doing nothing."

The Cape Town Afrikaans nationalist daily, Die Burger, said to-day that urban African unrest in the Cape Peninsula once again underscored the urgency of "a political strategy designed to give urban Africans a greater measure of autonomy in running civic affairs."

Meanwhile, Mrs. Winnie Mandela, wife of the jailed South African black nationalist Nelson Mandela, was to-day released from detention, Mr. Jimmy Kruger, Minister of Justice and Police, announced.

She was immediately served with a banning order and put under house arrest. This stipulates she is not to leave her home from dusk to dawn, nor at week-ends, nor is she allowed to give interviews or attend public functions.

Mrs. Mandela is one of the leading members of the Black Parents Association in Soweto. Her release is in line with undertakings by the Minister to release people detained under the Internal Security Act before December 31, when their detention orders would have to be officially renewed.

A few hours earlier three others detained under the Act, including the Rand Daily Mail photographer Peter Magubane, had been freed. Those latest releases bring to 85 the number of detainees now released over Christmas.

This leaves 18 people still in detention under the Act, according to the South African Institute of Race Relations. Another 250 are said to be held under other security legislation, including the Terrorism Act.

Ivor Richard leaves for Lusaka Page 9

Daily Mirror again stopped in London

BY ALAN PIKE, LABOUR STAFF

SOUTHERN EDITIONS of the Daily Mirror failed to appear again to-day because of the dispute—over pay and time-off for the Christmas holiday—which prevented publication of most newspapers in Fleet Street yesterday.

Mirror publication in London became impossible after 120 members of the National Graphical Association in the composing room failed to report for work. The newspaper lost about 2½m. copies as a result.

Only the Daily Express and Guardian were published in London yesterday although Northern editions of newspapers which print in Manchester appeared as usual. The Financial Times was not scheduled to publish yesterday.

Although the Daily Express and Guardian completed their normal Southern print runs, many readers in the London area could not obtain copies because wholesalers were not providing their usual distribution service.

The Mirror management said in a statement last night that staff concerned in the dispute "would have received up to seven days' payment for working two out of five days over Christmas if their claim had been met. Claims for extra payment or time-off in lieu had been categorically rejected by the Department of Employment as outside the paycode.

It is likely that there will be further disruption in Fleet Street over New Year staffing arrangements. The Mirror management said last night that a similar claim to the Christmas one had been received from composing room staff for working on next Tuesday's paper. The company was not prepared to "breach the pay code and accede to the payments demanded which, in any event, are entirely unjustified."

Since the Department of Employment has ruled that the claims for extra payments are outside the paycode, the Mirror management may react strongly if the dispute continues.

Weather

U.K. TO-DAY

RATHE COLD. Sleet or snow most areas.

London, S.E., Cent. S., E., Cent. N. England, E. Anglia, Midlands, Channel Is.
Frost early. Sunny periods, some sleet or snow later. Max. 3C (37F).

S.W., N.W. England, Wales, Lakes.
Cloudy, rain or sleet, snow on high ground. Max. 5C (41F).

Is. of Man, S.W. Scotland, Glasgow, Argyll, N. Ireland
Cloudy rain or sleet, snow on high ground, brighter later. Max. 4C (39F).

N.E. England, Borders, Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray Firth, N.W. Scotland, Orkney, Shetland
Frost early. Cloudy, bright intervals. Sleet or snow. Max. 3C (37F).

Outlook: Sleet or snow. Sunny intervals in West. Night frost.

BUSINESS CENTRES

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Amstrdm.	S	2	36	Manchstr.	S	1	34
Athens	C	6	43	Melbourne	C	21	71
Barcelona	F	9	48	Milan	F	3	37
Belfast	C	1	34	Montreal	C	−8	18
Belgrade	S	1	34	Moscow	S	−15	5
Berlin	C	−1	30	Munich	Sn	−5	23
Birmghm.	S	0	32	Newcastle	F	0	32
Bristol	S	1	34	New York	Sn	−5	23
Brussels	C	0	32	Oslo	S	−8	18
Budapest	F	−4	25	Paris	Sn	−1	30
B. Aires	S	25	77	Perth	C	30	86
Cairo	S	21	72	Prague	F	−3	27
Cardiff	F	2	36	Reykjavik	F	−3	27
Cologne	C	0	32	Rio de J'o	C	30	87
Copnhagn.	Sn	−4	25	Rome	C	11	52
Dublin	F	1	34	Singapore	R	24	75
Edinburgh	F	0	32	Stockholm	Sn	−7	19
Frankfurt	F	−5	23	Strasb'rg	Fg	−8	18
Geneva	Sn	0	32	Sydney	S	30	86
Glasgow	F	1	34	Tehran	S	9	48
Helsinki	S	−17	1	Tel Aviv	F	18	64
H. Kong	C	10	45	Tokyo	S	7	44
Jo'burg.	S	27	81	Toronto	Sn	−12	14
Lisbon	F	12	54	Vienna	C	−3	27
London	S	2	36	Warsaw	S	−7	19
Luxemb'g.	Sn	−6	21	Zürich	C	−6	21
Madrid	C	4	39				

HOLIDAY RESORTS

		Y'day Mid-day °C	°F			Y'day Mid-day °C	°F
Ajaccio	S	12	54	Jersey	R	3	37
Algiers	S	15	59	Las Plms.	C	20	68
Biarritz	S	3	[illegible]	Locarno	Sn	0	32
Blackpool	C	6	43	Majorca	S	14	57
Bordeaux	S	2	36	Malaga	R	12	54
Boulogne	C	4	39	Malta	C	14	57
Casablanca	R	13	53	Nairobi	S	21	72
Cape Tn.	S	25	77	Naples	C	7	45
Corfu	S	12	54	Nice	C	8	47
Dubrovnik	S	4	39	Nicosia	C	18	64
Faro	C	11	52	Oporto	F	10	50
Florence	C	5	41	Rhodes	C	16	61
Funchal	S	19	66	Salzburg	S	−5	23
Gibraltar	C	13	55	Tangier	C	14	57
Guernsey	R	3	37	Tenerife	F	14	[illegible]
Innsbruck	C	−6	21	Tunis	C	14	57
Inverness	C	1	34	Valencia	C	11	[illegible]
Is. of Man	S	2	36	Venice	Sn	0	32
Istanbul	Sn	2	36				

R—Rain. C—Cloudy. F—Fair. S—Sunny. Sn—Snow. Fg—Fog.

THE LEX COLUMN

Hopes that were not fulfilled

Most people had high hopes for the securities markets during 1976. The year began with interest rates on the way down and the economy apparently set for a firm recovery from the cyclical trough which, according to data for the gross domestic product, had been reached in the third quarter of 1975; already the U.S. economy was ebulliently leading the way. And the inflationary tide was receding. Although the year-on-year rate was still 25 per cent. at the end of 1975, the underlying rate of increase was roughly half that, and the official indication was that single figure inflation would be reached before the end of 1976.

But within a month the market had run out of steam. January 30 marked the year's high point for both gilts and equities (as measured by the All-Share Index). Although the more commonly-quoted F.T. 30-Share Index did not reach its peak until May 4, share prices were only moving sideways during the intervening period.

Money supply

The potential turnround in the demand for bank credit with its implications for the money supply and interest rates had always provided a counter to the more extreme bullish arguments, and that is very much the way it turned out. Bank lending in sterling to the private sector was weak at the start of the year but by the April banking month it commenced the strong upturn which has continued ever since. Domestic credit expansion began to go through the roof in the second quarter—when it reached an annual rate of more than £10bn.—helping to aggravate a sterling slide which had begun in March.

As a result of all this the Government was obliged to reverse its low interest rate policy designed to support an industrial revival. The button was pressed on April 23 when minimum lending rates went up a full 1½ points to 10½ per cent., and from then on it was more or less downhill all the way—except for MLR, of course. Characteristically, ICI squeaked in just before the market turned decisively downwards with a £200m. rights issue—the biggest of the lot.

Supposedly crucial economic events, like the main Budget in April and the agreement on the 4½ per cent. Stage 2 pay policy in May, failed to have much impact. By this time, other economic factors were posing problems. At home, the inflation targets were being abandoned, leading by stages to the present position whereby prices are officially expected to rise by 15 per cent. over the next year. Industrial production, too, suddenly lost momentum in June, although initially the Government was trying to explain this in terms of the heatwave and changes in holiday patterns.

In fact, the U.K. was sharing in a worldwide slowdown of the economic recovery. The major overseas stock markets were also having great trouble in making progress during the second quarter of the year. Ambitious projections of rapid profits growth right through to the end of 1977 began to look distinctly out of date.

Profits growth was strong during the first half of the year, at something like 25 per cent. net of stock appreciation for U.K. operations, while the many companies with large overseas interests had some glamorous figures to add on after translation into depreciated sterling. But recent figures show that in the third quarter U.K. profits were slowing down, and returning almost to their worst levels of the last recession in terms of their share in the national income.

Industrial strategy

It was against this already uncertain background that the dramatic events of the late summer were played out. From July the money supply had begun to "explode" upwards, rising over 2 per cent. in that month alone, and at an annual rate of 27 per cent. in the third quarter. The Government's attempt to combine an "in[dus]trial strategy" with a h[igh] public sector borrowing requ[ire]ment, while still holding gro[wth] in M3 to 12 per cent., [was] falling apart.

The longer the authori[ties] failed to check the monetary [ex]cesses by selling gilt-edged [to] the non-bank private sector, [the] more inevitable it became [that] interest rates would have to [rise] and perhaps sharply. Thro[ugh] July, August and most of [Sep]tember the Government and [the] institutions played an incr[eas]ingly tense game of cat [and] mouse. The authorities gav[e way] towards the end of Septem[ber]; they raised MLR by a p[oint] and a half and issued £600m. a long tap—yielding over 15 [per] cent.—which made headline[s] being oversubscribed on the [day] of issue.

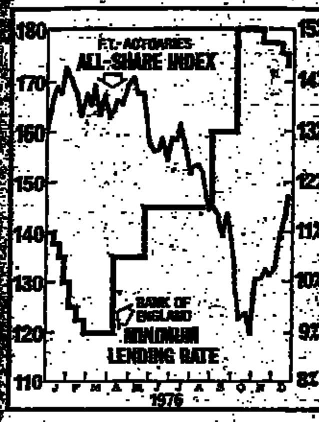
But sterling and the s[tock] market were still sliding. On October 7 the interest weapon was wielded again, [with] MLR going up to an unprece[den]ted 15 per cent., and altho[ugh] the gilt market adapted to [it] rather swiftly it was Octobe[r] before share prices manage[d to] pull out of their dive; the [bot]tom for the 30-Share Index [was] 265.3, a fall of 37 per cent [in] less than six months.

Going into gilts

The overall message of 1[976] is that the interests of indus[try] and the equity market have b[een] subordinated to the fund[ing] requirements of the pu[blic] sector. Gilt sales to the inst[itu]tions have probably top[ped] £3bn. this year, against a t[otal] cash inflow of something o[f] £5bn. Rights issues and [the] property market have [also] absorbed roughly £1bn. and [the] personal sector has again [un]loaded over £1bn. of equiti[es] which have presumably fou[nd] their way into institutional po[rt]folios. So there has been [no] pressure of funds to push t[he] secondary market ahead—[on] the contrary, the instituti[ons] have significantly run down th[eir] liquidity.

The rush to buy gilt-edg[ed] has dominated the closing we[eks] of 1976, uncannily repeating [the] pattern at the end of last ye[ar]. Once again the expectation [of] a progressive fall in inter[est] rates is the key. But the diff[er]ence this time is that prolong[ed] recession, not recovery, p[ro]vides the likely economic fra[me]work for the coming year. A[nd] even the Government does [not] expect any further reduction [in] inflation for many months.

Index fell 1.3 to 343.4



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